

INDUSTRY-WIDE COLLECTIVE BARGAINING
IN GREAT BRITAIN, SWEDEN,
AND THE UNITED STATES

by
Herbert C. Wittgenstein

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Introduction

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Industry Wide Collective Bargaining in Great Britain

| | |
|--|----|
| Chapter 1 : Introductory | 10 |
| Chapter 2 : The Organization of Unions | 12 |
| Chapter 3 : Employers' Associations | 15 |

Thesis

Industry-Wide Collective Bargaining in
Great Britain, Sweden and the United States

by

Herbert Christian Wittgenstein
(LL.D., University of Vienna, 1931)
submitted in partial fulfillment of the
requirements for the degree of
Master of Arts
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Industry Wide Collective Bargaining in Sweden

| | |
|---|----|
| Chapter 4 : Introductory Remarks | 22 |
| Chapter 5 : The Organization of Unions | 24 |
| Chapter 6 : Employers' Associations | 27 |
| Chapter 7 : Industry Wide Collective Bargaining in Sweden | 30 |

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Part III.

Industry Wide Collective Bargaining in the United States

| | |
|---|----|
| Chapter 8 : Introductory Remarks | 75 |
| Chapter 9 : The Unions and Their Views on Industry Wide Collective Bargaining | 78 |
| Chapter 10 : The Employers' Associations and Their Views on Industry Wide Collective Bargaining | 82 |

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LIBRARY

INDEX

Page

Introduction

3

Part I.

Industry Wide Collective Bargaining in Great Britain

| | | | |
|-----------|----|---|----|
| Chapter 1 | : | Introductory Remarks | 10 |
| " | 2 | : The Organization of Trade Unions | 13 |
| " | 3 | : Employers' Associations | 18 |
| " | 4 | : Industry Wide Collective Bargaining in Three Basic Industries | |
| | a. | Coal Mining | 20 |
| | b. | Railroads | 24 |
| | c. | Building | 28 |
| " | 5 | : Trade Boards | 31 |
| " | 6 | : Experiences and Results of Industry Wide Collective Bargaining in Great Britain | 33 |

Part II.

Industry Wide Collective Bargaining in Sweden

| | | | |
|-----------|----|--|----|
| Chapter 7 | : | Introductory Remarks | 38 |
| " | 8 | : The Organization of Unions | 41 |
| " | 9 | : Employers' Associations | 43 |
| " | 10 | : Industry Wide Collective Bargaining in the Iron and Steel Industry | 47 |
| " | 11 | : Standard Clauses in Collective Agreements | 52 |
| " | 12 | : The Collective Agreement Law and the Labor Court | 60 |
| " | 13 | : The Basic Agreement | 64 |
| " | 14 | : Experiences and Results of Industry Wide Collective Bargaining in Sweden | 68 |

Part III.

Industry Wide Collective Bargaining in the United States

| | | | |
|------------|----|--|----|
| Chapter 15 | : | Introductory Remarks | 75 |
| " | 16 | : The Unions and Their Views on Industry Wide Collective Bargaining | 79 |
| " | 17 | : The Employers' Associations and Their Views on Industry Wide Collective Bargaining | 85 |

| | | |
|--------------|---|-----|
| Chapter 18 : | How Industry Wide Collective Bargaining Works: | |
| | a. The Railroads | 97 |
| | b. The Anthracite Mining Industry | 105 |
| " 19 : | Experiences and Results of Industry Wide Collective Bargaining in the United States | 111 |

Part IV. the three countries - an

Comparison of Industry Wide Collective Bargaining in Great Britain, Sweden, and the United States

| | | |
|----|--|-----|
| a. | Workers' and Employers' Organizations | 118 |
| b. | Negotiating Machinery | 122 |
| c. | The Contents of the Industry Wide Agreements | 125 |
| d. | The Attitude of the Governments Toward Industry Wide Collective Bargaining | 127 |
| e. | Pros and Cons of Industry Wide Collective Bargaining | 128 |
| f. | Conclusion | 130 |

| | | |
|------------|--|-----|
| Appendix I | | 134 |
| " II | | 137 |
| " III | | 141 |
| " IV | | 142 |
| " V | | 143 |
| " VI | | 145 |
| " VII | | 146 |
| " VIII | | 148 |
| " IX | | 150 |

| | | |
|--------------|--|-----|
| Bibliography | | 152 |
|--------------|--|-----|

| | | |
|--------------|--|--|
| Chapter 18 : | How Industry Wide Collective Bargaining Works: | |
| 97 | a. The Railroads | |
| 103 | b. The Anthracite Mining Industry | |
| 111 | 19 : Experiences and Results of Industry Wide Collective Bargaining in the United States | |

Part IV.

| | | |
|-----|---|--|
| | Comparison of Industry Wide Collective Bargaining in Great Britain, Sweden, and the United States | |
| 118 | a. Workers' and Employers' Organizations | |
| 122 | b. Negotiating Machinery | |
| 125 | c. The Contents of the Industry Wide Agreements | |
| 127 | d. The Attitude of the Government Toward Industry Wide Collective Bargaining | |
| 128 | e. Pros and Cons of Industry Wide Collective Bargaining | |
| 130 | f. Conclusion | |

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| | | |
|-----|------------|--|
| 134 | Appendix I | |
| 137 | II | |
| 140 | III | |
| 143 | IV | |
| 145 | V | |
| 148 | VI | |
| 148 | VII | |
| 148 | VIII | |
| 150 | IX | |

| | | |
|-----|--------------|--|
| 152 | Bibliography | |
|-----|--------------|--|

INTRODUCTION

The purpose of this study is to outline the collective bargaining systems in Great Britain, Sweden and the United States. It is not intended to give a complete picture of the labor-management relations in the three countries - an impossible attempt considering the size of the subject matter - but to point out the highlights of industry wide collective bargaining as far as it takes place in these countries.

In comparing the three countries, it must be kept in mind that they differ widely as to geographic and economic conditions. Great Britain (area 94,000 square miles, population 48,000,000) and Sweden (area 173,000 square miles, population 6,000,000) are, compared with the United States (area 3,000,000 square miles, population 140,000,000), small countries. The industries in the former two countries are concentrated on small areas, short distances between factories are the rule and a general similarity of conditions in all plants of one specific industry is the result. In the United States the industries, with some exceptions, are dispersed over a very large area and local conditions within the same field of industry often differ widely. In Great Britain and Sweden governments have encouraged the creation

of national associations of employers and employees¹ for the purpose of collective bargaining on a large scale, whereas in the United States legislation is designed to prevent the growth of combinations which would interfere with free and competitive enterprise. This explains why industry wide collective bargaining is the rule in Sweden, the usual thing in Great Britain, but the exception in the United States. At the present time collective bargaining in the United States, in most instances, is carried on on a company-wide, or at best on a region-wide, basis.

In spite of these adverse conditions, a trend toward large scale collective bargaining has developed in the United States. The development of mass-production industries, which can be run efficiently only if operated on a very large scale, and the consequent organization of workers in industrial unions, has resulted in the enlargement of the basis of collective bargaining. Moreover, smaller firms competing with "big business" are often forced to offer the same terms of employment if they want to maintain their labor force. Under these circumstances it can be expected that future labor contracts will be designed to include an increasing number of companies operating in the same field, a trend which will ultimately lead to industry wide agreements.

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1. In Great Britain the Combination Laws Repeal Act of 1824 made trade unions legal and not subject to proceedings for conspiracy.

Before discussing industry wide collective bargaining in Great Britain, Sweden and the United States in detail, an explanation of what is understood by this term is necessary.

The term "collective bargaining" is applied to those negotiations under which wage rates and conditions of employment are settled in the form of an agreement made between employers or associations of employers and workers' organizations. If the agreement is made between an employers' organization representing all firms in a specific line of industry and a workers' organization representing all workers in this same industry, we can speak of "industry wide collective bargaining". The agreement thus reached by the two parties constitutes the framework for the terms of employment, which should prevail in this industry for a definite period of time.

In analyzing this definition it can be seen readily that the first pre-requisite of this system of collective bargaining should be strong and centralized organizations of both employers and employees. It is essential for the owners and the management of large corporations to be members of an industry wide association which, through its elected representatives, controls in a general way the labor relations in all factories. The individual factory owner or manager can negotiate contracts for his plant, within the limits set by the industry wide agreement, in order to adjust the terms of employment to meet specific conditions,

but in general he has to subject his own wishes to the pattern of the whole industry.

On the workers' side it is essential that the local unions be combined in one national union or, at least, affiliated with a federation of trade unions. The elected representatives of this national union or federation negotiate with the representatives of the corresponding employers' associations. In order to become binding, these agreements usually must be ratified by the members of the national union. The adjustment of the terms of the industry wide agreement to local conditions is negotiated by the local unions, but supervised by the national union.

Most industry wide agreements provide that grievances arising from the interpretation and the application of the contract, which cannot be settled within the plant, be decided by a panel constituted of representatives of the workers and the employers, and headed by a chairman. This chairman is either elected by the two parties or appointed by the government. This machinery provides the means of avoiding strikes against individual companies.

In some cases governments have enacted laws providing for the establishment of labor courts to deal exclusively with grievances and to render decisions which are legally binding on both parties. Examples of this are the Labor Court in Sweden and the Industrial Court in Great Britain, which take care of unsettled grievances in all industries,

and the National Railroad Adjustment Board in the United States, which decides unsettled grievances on the railroads. These courts take action only when the parties are unable to settle grievances by themselves.

Most industry wide agreements deal mainly with the negotiation procedure, overtime pay, paid vacations and holidays, minimum rates of pay and maximum hours of work; while wage rates, based on local cost of living differentials, and working rules are usually fixed by local or regional contracts, due to the often wide divergence of conditions in one locality as compared to another.

Because of the great importance of sound industrial relations for the economy of the nation, governments have enacted legislation dealing in various ways with the maintenance of peace between management and labor. Earlier in this chapter the establishment of courts dealing with the settlement of grievances has been mentioned. Other laws fix minimum wage rates, establish maximum hours of work and provide for vacations with pay. Often Mediation Boards are established by law in order to quasi-compel the parties to come together when disputes arise because of the wish of one party to change the clauses of the agreement. Special attention always has been given by the governments to avoid strikes in industries vital to the security of the nation. In many of these industries elaborate negotiation machinery has been established. It will be shown in a later chapter

that the Basic Agreement in Sweden virtually outlaws "conflicts involving functions essential to society". In the United States a sixty day cooling-off period is provided for disputes involving changes in the industry wide railroad agreement.

All these provisions which were, as in Sweden, voluntarily agreed upon by labor and management, or enacted by law, as in Great Britain and the United States, tend to reduce strikes in vital industries to a minimum. The efficacy of these voluntary agreements rests on the power and the means at the disposal of both labor and management organizations to force their members to comply with the terms of the contracts.

Chapter I.

Introductory Remarks

During the nineteenth century the great majority of workers in Great Britain had no written contracts with their employers, but were bound by the "custom of the trade". Only certain craft unions bargained collectively on a local scale with their employers. With the rapid development of mass production industries toward the end of the last century, an extension of these collective agreements to cover unskilled as well as semi-skilled workers became necessary. By 1900 most basic industries had adopted industry wide collective agreements covering skilled and unskilled workers alike.

Part I.

Industry Wide Collective Bargaining in Great Britain

These new agreements were of the administrative kind, i.e., they were only a framework of rules and regulations applying to the industry as a whole. These rules and regulations covered a wide variety of subjects. In most of the industry wide contracts provisions for the length of the working week, the regulation of payments for overtime, for shift differentials, and holidays were made. Often minimum wages for the whole industry and the establishment of the negotiating procedure were also agreed upon. In some industries the negotiating machinery was established by law and Trade Boards or other labor-management committees were established to negotiate minimum wage rates for specific industries or occupations. The determination of specific

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These new agreements were of the administrative kind, i.e. they were only a framework of rules and regulations applying to the industry as a whole. These rules and regulations covered a wide variety of subjects. In most of the industry wide contracts provisions for the length of the working week, the computation of payments for overtime, for shift differentials, and holidays were made. Often minimum wages for the whole industry and the establishment of the negotiating procedure were also agreed upon. In some industries the negotiating machinery was established by law and Trade Boards or other labor-management committees were established to negotiate minimum wage rates for specific industries or occupations. The determination of specific

wage rates and working conditions within the framework of the industry wide agreement is now left to committees formed by the local or sectional organizations of manufacturers and workers. This procedure makes for an adequate adjustment of the terms of employment according to local conditions, which often differ widely. In most cases these local agreements must be approved by the national organizations of the employers and workers concerned.

It must be understood that the acceptance of collective agreements rests almost entirely on the good faith of the parties concerned. In general, no penalties¹ for non-observance of agreements are provided by law or otherwise. In Great Britain it hardly ever happens that workers or employers sue each other in civil court for damages resulting from a breach of the agreement. The existing bargaining machinery - local, sectional and national - is usually sufficient to take care of all grievances arising from an alleged breach of the contract. In peacetime the decisions of the various boards dealing with these disputes had to be accepted by both parties in order to become binding. Likewise, compulsory arbitration for any kind of dispute was unknown until the outbreak of World War II. Only then, arbitration for all kinds of disputes was made compulsory and the decisions of the Industrial Court² and the National

1. For exceptions to this rule see Chapter 5.

2. See Appendix I.

Arbitration Tribunal¹ became legally binding on both parties.

To give the reader a picture of how industry wide collective bargaining works in Great Britain, an outline of the development and organization of Trade Unions and Employers' Associations will be given as a background. This will be followed by a discussion of three typical cases of industry wide bargaining in basic industries. A short discussion of the Boards, established by law for the adjustment of disputes, and some comments on the experiences with industry wide collective bargaining in Great Britain will conclude this part of the thesis.

1920 provided for voluntary registration of unions with the Registrar of Friendly Societies, which gave certain advantages regarding the holding of property, and established the right of the workers to bargain collectively.

The first unions were composed of a single craft or group of crafts. With the growth of industrial activity in Great Britain larger unions were founded, which tried to cover all classes of working people within one industry. This process of amalgamation and absorption of smaller unions into one larger union has continued ever since and is not concluded yet.

Table I shows the changes in union membership and the decreases in the number of unions from 1920 to 1944.

1. See Appendix II. *Unions Handbook*, London, 1944, His Majesty's Stationary Office, pg. 6.

Chapter 2.

The Organization of Unions

The first legal recognition of Trade Unions in Great Britain occurred in 1824, when the "Combination Laws Repeal Act" allowed workers to organize for the purpose of regulating wages and conditions of labor, without being subject to common-law proceedings for conspiracy. This Act was amended in 1825 by legalizing the right "to withdraw labour by collective action".¹ Later legislation (Trade Union Act, 1871) provided for voluntary registration of unions with the Registrar of Friendly Societies, which gave certain advantages regarding the holding of property, and established the right of the workers to bargain collectively.

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1. Industrial Relations Handbook, London, 1944, His Majesty's Stationery Office, pg. 6.

Table 1.¹

| beginning of | union membership in thousands | number of unions |
|--------------|----------------------------------|---------------------|
| 1920 | 8,348 | 1384 |
| 1930 | 4,842 | 1121 |
| 1940 | 6,231 | 1024 |
| 1941 | 6,542 | not available |
| 1942 | 7,093 | 983 |
| 1943 | 7,781 | 976 |
| 1944 | 8,100 | 972 |

Of the 972 unions existing in 1944, 16 covered 60% of the total union membership. Table 2 contains as of 1945 the names and membership numbers of the six largest unions, whose combined membership represents nearly 50% of the total trade union membership in Great Britain.

Table 2.²

| Name of the union | membership |
|---|------------|
| Transport and General Workers Union | 1,017,130 |
| Amalgamated Engineering Union | 810,557 |
| General and Municipal Workers' Union | 660,604 |
| National Union of Mineworkers | 604,978 |
| National Union of Railwaymen | 404,355 |
| National Union of Distributive and Allied Workers | 271,861 |
| Total (47% of British Trade Union membership) | 3,769,485 |

The tendency for concentration and amalgamation is also apparent in the decreasing number of federations and the

1. Labor and Industry in Britain, January 1946, pg. 15 and January 1947, pg. 22, British Information Services, and op. cit. pgg. 12 and 13.

2. Labor and Industry in Britain, January 1947, British Information Service, pg. 23.

increasing average membership per federation (Table 3).

Table 3.¹

| Year | number of federations | total membership | average mem- bership per federation |
|------|--------------------------|---------------------|---|
| 1917 | 182 | 6,500,000 | 35,000 |
| 1942 | 57 | 3,000,000 | 53,000 |

The decrease in total membership of the federations is explained by their increasing tendency toward conversion into national unions. The latest example for this is the Mineworkers' Federation of Great Britain, which in 1945 was reorganized and integrated in the National Mineworkers' Union.

A further proof for the process of amalgamation of trade unions was the centralization of the whole movement in the Trades Union Congress, which was established in 1868 "to promote the interests of all its affiliated organizations and generally to improve the economic and social conditions of the workers".² This central organization is constituted of delegates from each affiliated union and settles at its annual meeting the general policy for the ensuing year. The General Council, the executive body which carries out the decisions of the Congress, is composed of thirty-two members representing the seventeen industrial groups into which the affiliated unions have been divided. The main duties of this

1. Industrial Relations Handbook, pg. 13.

2. Ibid., pg. 14.

Council are to follow closely all industrial movements and to co-ordinate industrial action; to watch the labor legislation and initiate such legislation as the Congress may direct; to adjust jurisdictional disputes between unions; to promote common action on general questions such as wages and hours of work. The affiliated unions are bound to keep the General Council informed regarding trade disputes, especially where large numbers of workers are involved. The Trades Union Congress, which made only slow progress in its early beginnings, today covers more than 80% of all union membership in Great Britain.

The organization of national unions and federations varies greatly. In general, however, it can be stated that in Great Britain a national union is an autonomous body, the basis of which is the Local Branch or Lodge. The Local Branch elects officers and committees, who discuss all matters which can be dealt with locally. Wider questions are sent forward for the union's district or national bodies. The members of the Local Branches also elect delegates to represent them on District and National Committees and at the union's national conferences. These District and National Committees deal with matters of more than local significance. At the annual conference the policy of the national union and any alterations of its rules are decided.

The organization and jurisdiction of the federations depends upon the degree of authority conferred on them by the

constituent unions. In general the final decision as to action in connection with a labor dispute rests with the leadership of the member union. There are only a few instances in which the decisions of a federation are binding on a constituent member.

There have been, generally speaking, in existence since the Middle Ages. These Guilds and Companies dealt with both trading and labor questions affecting their crafts, although under early wage theories there was little room for discussion of labor problems. Like most British institutions, they have developed to meet particular circumstances and not in any uniform fashion. Thus, modern employers' associations in Britain fall into three categories:

1. Those constituted for dealing with labor questions including collective bargaining with the Trade Unions and the settlement of labor disputes.

2. Those which deal with labor relations as well as with trade questions.

3. Those which deal exclusively with trade questions.

With regard to the first two categories, the repeal of the Combination Laws¹ and the growth of Trade Unions during the nineteenth century stimulated both an increase in the number of these employers' associations and the expansion of their activities. According to recent esti-

1. Source: Industrial Relations Handbook, pgs. 15-17.

2. See Chapter 2.

Chapter 3.

Employers' Associations¹

Employers' associations in the form of Merchant Guilds and Livery Companies have been, generally speaking, in existence since the Middle Ages. These Guilds and Companies dealt with both trading and labor questions affecting their crafts, although under early wage theories there was little room for discussion of labor problems. Like most British institutions, they have developed to meet particular circumstances and not in any uniform fashion. Thus, modern employers' associations in Britain fall into three categories:

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1. Source: Industrial Relations Handbook, pgg. 15-17.

2. See Chapter 2.

mates these associations include firms employing approximately eight million workers.

Just as there is diversity in the function of employers' associations, there is equal variety in their structure. Some associations are purely local in character and deal with a section of an industry. Others are national in scope and include all firms within one particular industry. In many of the basic industries of the country local or regional organizations are combined into federations. Consequently the degree of authority exercised by regional organizations over individual members, or by federations over affiliated organizations, varies considerably.

The British employers' associations were, compared to the unions, who united as early as 1868 in the Trades Union Congress, very slow in the creation of an overall organization. Not until 1919 was formed the National Confederation of Employers' Organizations - now known as the British Employers' Confederation - whose membership consists of the national federations in industries employing approximately 70% of the total industrial wage earners of Great Britain. In 1943 about 270 employers' federations and 1630 local and regional organizations were affiliated with the Confederation, whose stated purpose it is to secure the cooperation of the employers' organizations in dealing with all questions arising out of the relations between employers and unions. Thus it is in effect the counterpart of the Trades Union Congress.

Chapter 4.

Industry Wide Collective Bargaining in Three Basic Industries

(a) Coal Mining¹

The Miners' Federation of Great Britain was founded in 1888 to fight the sliding-scale wage policy of the colliery owners. The immediate aim of the Federation was the amalgamation of the numerous district unions, which, at that time, were each confined to a particular coalfield or mine, but it was not until 1908 that complete federation was obtained. Total membership reached 600,000. In 1912 the first attempt to gain nation wide recognition was made by the Federation in a nation wide coal strike, aimed to win national minimum wages and the establishment of a national system of collective bargaining for all the coalfields.

The strike failed to reach this goal. The Federation had to accept the unsatisfactory compromise of the Coal Mines (Minimum Wages) Act. This Act did not really prescribe a minimum wage, applicable to all coalfields in the country, but merely entitled miners working in an "abnormal" place, where coal-getting was exceptionally difficult, to minimum wage rates based on the rates actually paid to the miners employed in more productive mines in the same area.

1. Source: British Trade Unionism Today, by G.D.H.Cole, London, V. Gollancs Ltd., 1939; Labor and Industry in Britain, July, August and September 1946, British Information Service.

Boards were set up with the power to fix minimum rates in specific cases.

During World War I the coal mines were under government control and the Miners' Federation of Great Britain was recognized as the collective bargaining agency covering all the miners in all the coal fields. In 1921, when the mines were returned to the colliery owners, the Mining Association (Employers) refused to bargain collectively with the Federation on a nation wide basis. In face of this refusal the miners were compelled to present their demands for a national minimum wage rate and an industry wide wage increase to the government, which acted as an intermediary between the union and the mine owners. In the following years labor-management relations improved, but from 1924 on wages had to be subsidized by the government. When several years later these subsidies were withdrawn, a long and disastrous strike was the consequence.

The miners' wage question proved by far the most serious industrial relations problem of World War II. Wage rate increases during the first years of the war did not bring miners up to the level of other essential industries. In 1942 a government-appointed board made new proposals, which were accepted by both parties and put into operation immediately. These proposals included a flat wage rate increase per shift, a bonus on output, a guaranteed national minimum wage of £4.3.0 a week, and the establishment of a new bargaining procedure.

Forthwith a permanent National Board was constituted to provide machinery for negotiation and arbitration. The Board consists of a National Negotiating Committee, whose members are representatives of both the national associations of the industry and of a National Reference Tribunal, composed of persons not engaged in the coal mining industry. Disputes referred to the Board are to be discussed by the National Negotiating Committee with a view to settlement and, failing such settlement, reference is to be made to the National Reference Tribunal for arbitration and final decision.

In 1944 the bonus on output was dropped and the minimum wage rate for all underground workers was raised to £5.0.0 a week. The next year the Miners' Federation of Great Britain was replaced by the National Mineworkers' Union. This new organization united all members of the Federation in one national union with a single administration.

The Coal Industry Nationalization Bill, which became law on July 12, 1946, effective on January 1, 1947, established a National Coal Board, consisting of nine men appointed by the government, entrusted with the task of taking over and reorganizing the coal industry. It is the duty of this Board to conclude agreements establishing and maintaining machinery for:¹

- a. settlement by negotiation of terms and conditions

1. International Labor Review, Vol. LIV, Nos. 3-4, September-October 1945.

of employment, with provision for arbitration in default of such settlement; and

b. consultation on questions relating to the safety, health or welfare of persons employed by the Board, the organization and conduct of the operations in which such persons are employed, and other matters of mutual interest to the Board and its employees.

(b) Railroads¹

Railway Trade Unionism has a continuous history of seventy years, but only after World War I did it reach its present strength. The Railways Act of 1921 provided for the amalgamation of one hundred twenty Railway Companies, which now comprise the four main line companies constituting the Railways Staff Conference. At about the same time the numerous small unions were combined into three national unions, the National Union of Railwaymen, the Associated Society of Locomotive Engineers and Firemen, and the Railway Clerks' Association. This amalgamation of employers on one hand, and of employees on the other, made the establishment of industry wide collective bargaining possible.

For the settlement of disputes as to pay and conditions of service, the Railways Act of 1921 established the following negotiating machinery, covering the whole industry:

1. Each railway company was to have one or more councils consisting of officers of the company and representatives elected by the men employed by the company. The constitution and functions of the councils were to be determined by a committee consisting of six representatives of the general managers and six representatives of the railway Trade Unions. Under this provision also, Local Departmental Committees and Sectional Railway Councils were to be established in each of the companies.

1. For an exhaustive study of this subject see Industrial Relations Handbook, London 1944, His Majesty's Stationery Office, pgg. 38-45.

2. Lacking agreement between the companies and the unions, all questions as to pay and conditions of service were required to be referred to a Central Wages Board composed of eight representatives of the companies and eight representatives appointed by the unions.

3. Appeal from the Central Wages Board lay to a National Wages Board composed of six representatives of the companies, six representatives appointed by the unions, four representatives of "users of railways" and an independent chairman nominated by the Minister of Labour.

Because the negotiating machinery established by the Railway Act of 1921 proved cumbersome in operation, the companies and the three national unions concluded in 1935 a written agreement known as "Machinery of Negotiation for Railway Staff, 1935". This agreement abolished the Central Wages Board and the National Wages Board, replacing them by the Railway Staff National Council and the Railway Staff National Tribunal. It also provided for the continuance of the Local Departmental Committees and Sectional Councils, and defined their functions.

The object of each Local Departmental Committee is to provide means of communication between the workers and the local officials of the railway Companies, with a view to greater efficiency, arrangement of working hours and holidays, safety appliances and others. The function of the Sectional Council is similar to that of the Local Departmental Committee, but the jurisdiction is spread over a much

2. Making agreement between the companies and the unions, all questions as to pay and conditions of service were referred to a Central Wages Board composed of eight representatives of the companies and eight representatives appointed by the unions.

3. Appeal from the Central Wages Board lay to a National Wages Board composed of six representatives of the companies, six representatives appointed by the unions, four representatives of "users of railways" and an independent chairman nominated by the Minister of Labour.

Because the negotiating machinery established by the Railway Act of 1921 proved cumbersome in operation, the companies and the three national unions concluded in 1933 a written agreement known as "Machinery of Negotiation for Railway Staff, 1933". This agreement abolished the Central Wages Board and the National Wages Board, replacing them by the Railway Staff National Council and the Railway Staff National Tribunal. It also provided for the continuance of the Local Departmental Committees and Sectional Councils, and defined their functions.

The object of each Local Departmental Committee is to provide means of communication between the workers and the local officials of the railway companies, with a view to greater efficiency, arrangement of working hours and holidays, safety appliances and others. The function of the Sectional Council is similar to that of the Local Departmental Committee, but the jurisdiction is spread over a much

larger area. Furthermore it also deals with matters concerning the application of national and industry wide agreements as to wages, hours of duty and working conditions.

On the next higher level is the Railway Staff National Council, a new agency established by the "Machinery", which deals with major issues concerning the whole industry and is constituted of eight representatives from the unions and an equal number from the companies. Issues not decided by this Council may, if both parties agree, be referred to the Railway Staff National Tribunal.

The Railway Staff National Tribunal is composed of three members, one being selected by the unions, one by the companies and one, the chairman, being appointed by agreement between the companies and the unions, or, failing such agreement, by the Minister of Labour and National Service after consultation with the companies and the unions. The function of the Tribunal is to decide issues as to wages, hours and working conditions, if these issues are of major importance and have not been settled by the Railway Staff National Council.¹ There is no provision to bind the parties to accept the decisions of the Tribunal, but during the war emergency period both parties to the "Machinery" agreed, that the decisions of the Tribunal shall be final and legally binding.

The Railway Shopmen, who are engaged in the building

1. See Appendix III for a chart of the "Machinery".

and maintenance of locomotives and rolling stock, in the upkeep and construction of stations, tunnels and bridges, are organized in a number of craft unions and General Workers' Unions as well as in the National Union of Railwaymen. Their negotiations machinery is similar in character to the above described, with the difference that final decisions on the highest level are decided by the Industrial Court.¹ Since 1927 their collective agreements with the companies are industry wide.

The fact that the operating and the non-operating personnel have separate collective bargaining agencies is no contradiction to the principles of industry wide collective bargaining. It simply means that for reasons of greater efficiency the non-operating personnel, whose terms of employment widely differ from the ones applying to the operating personnel, has preferred to establish negotiating machinery of their own. In most cases the two national bodies, representing the operating and the non-operating personnel, have closely cooperated. It is expected that with the nationalization of the railroads, this separation will be abolished and a negotiating agency with jurisdiction over all railroad personnel will be established.

1. See Appendix I.

(c) The Building Trades Operatives¹

With the establishment of the National Federation of Building Trades Operatives in 1918 the cornerstone for a nation wide representation of the building trades was laid. In 1919 the national federations of employers and workers adopted the principle of national uniformity of hours of work and in 1920 they agreed to regulate wages and working conditions on a national and industry wide basis.

The agreement concluded in 1932 is the basis of the present machinery of negotiations in the building industry in Great Britain. The elaborate machinery for settling disputes includes the local Joint Committees, for the settlement of minor disputes; Area Joint Committees for similar disputes concerning a larger area; and Regional Joint Committees for disputes involving large areas or groups of areas. On all these Committees employers and employees are represented in equal numbers.

Highest authority is the National Joint Council, consisting of forty members, half of whom are appointed by the employers' organizations (the National Federation of Building Trades Employers, the National Federation of Plumbers and Domestic Engineers, and the National Federation of Roofing Contractors), the other half by the trade unions affiliated with the National Federation of Building Trades Operatives.

It is the duty of this Council to fix, on an industry wide

1. Industrial Relations Handbook, pg. 68-76 and G.D.H. Cole op. cit. pg. 112.

basis, rates of wages, working hours, overtime and all other labor matters of major importance concerning the whole industry. Furthermore, the Council tries to settle all disputes which cannot be agreed upon at the lower levels of the machinery. If no agreement can be reached by the Council, the dispute is referred to the Industrial Court,¹ whose decision is final and binding.²

The agreement of 1932 provided that, for the purpose of wage regulations, the various towns and districts outside London should be classified into ten "grades", for each of which "datum standard rates" of wages were laid down for craftsmen (the rate for laborers was 75% of the earnings of the latter in the same district). Every year "current standard rates", based on the cost of living index issued by the Ministry of Labour and National Service, are computed. In accordance with the change in this index the "datum standard rates" are either lowered, increased or left unchanged.

It is the prerogative of the Council to change the "datum standard rates" every four months, if the cost of living index has changed at least six and one half points during this period. A Grading Commission, appointed by the Council, grades or regrades the towns and districts, either upon its own initiative or upon application of the appropriate Regional Committee.

1. See Appendix I.

2. See Appendix IV showing the steps to be taken in settling disputes.

Before the outbreak of World War II, the whole industry paid wage rates on a time basis. In June 1941 this regulation was changed, whereby the Essential Work Order decreed that, wherever possible, wages should be calculated on a system of payment by results (piece work rates).

is the so-called "sweated trades", especially tailoring, shirtmaking and bootmaking.¹ These Boards consist of an equal number of members representing the unions and the employers' associations together with three independent members. One of the latter acts as chairman of the Board. All appointments are made by the Minister of Labour and National Service for a period of two years from lists submitted by the employers' and employees' organizations. The number of members on such a Board vary from eight in the case of the Rubber Declaration Trade Board for Great Britain to fifty in the case of the Milk Distributive Board for England and Wales.

The function of these Boards is to negotiate minimum wage rates for the whole industry. The Boards must fix a minimum rate or minimum rates of wages for time work. They may fix other minimum rates, such as minimum piece rates, guaranteed time rates and overtime rates. Since enactment of the "Holiday with Pay Act of 1938" the Boards are empowered to give directions providing for holidays with pay for the workers for whom they prescribe minimum wages.

1. For a list of the Trade Boards established under the two Acts see Appendix V.

Chapter 5.

Trade Boards

Through the Acts of 1909 and 1918 Trade Boards were established to improve the deplorable conditions in the so-called "sweated trades", especially tailoring, shirtmaking and bootmaking.¹ These Boards consist of an equal number of members representing the unions and the employers' associations together with three independent members. One of the latter acts as chairman of the Board. All appointments are made by the Minister of Labour and National Service for a period of two years from lists submitted by the employers' and employees' organizations. The number of members on such a Board vary from eight in the case of the Rubber Reclamation Trade Board for Great Britain to fifty in the case of the Milk Distributive Board for England and Wales.

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1. For a list of the Trade Boards established under the two Acts see Appendix V.

When a Trade Board has agreed on a new minimum wage rate, it must insert the proposed new rate in the London Gazette and in addition inform all employers in the trade. These notices must be posted in all plants concerned. Two months are allowed in which either the employer or the employees may object to the proposal. After having considered all objections received, the Board informs the Minister of Labour and National Service of the proposed change. The latter issues an Order confirming the change and stating the date on which the new rates are to come into force. After due publication and notification of the employers concerned, these new rates become binding on all employers in the trade and are enforceable by fines. During the years 1930 to 1934, 206 establishments were fined for the infringement of the Act, whereas the respective number for the years 1935 to 1939 was 83. From 1940 to 1943 the wages of 580,000 workers were examined, for 30,000 of whom £132,000 arrears of wages were recovered.¹

Trade Boards are also given power to make representations to any Government Department on matters relating to the industrial conditions in the trade, and the department is required to give consideration to their views. In this way the Boards can deal with many general questions affecting the whole industry in which they are engaged.

1. See Industrial Relations Handbook, pg. 147.

Chapter 6.

Experiences and Results of Industry Wide

Collective Bargaining in Great Britain

Industry wide collective bargaining on a national scale is a comparatively new feature in British labor relations. For a long period the principal unions were confined to skilled workers and only since 1890 has trade unionism spread rapidly among the unskilled workers and general laborers. Since 1900, however, unions have been formed to include all workers employed in one industry. As a result of these adaptations and developments the trade union movement now includes unions for men of one craft, wherever they may work (for instance plumbers); industrial unions including all workers regardless of skill in certain basic industries (coalminers); and general unions whose members are spread over a large number of different industries, transport services and general occupations (mostly common laborers).

In the maze of different and, partly, overlapping organizations and institutions it is difficult to find any uniform pattern. Disregarding for the moment the laws enacted during the recent war emergency, it can be stated that the whole collective bargaining system rests mainly on voluntary industry wide agreements between workers' and employers' associations. Most disputes are adjusted by one of the labor-management boards. Arbitration of disputes

arising either from the interpretation of the existing contract or from the writing of a new contract is voluntary and, if at all possible, avoided by the parties. The decisions of these arbitration boards are binding only if both parties state their willingness to accept them. In many contracts the parties agree to submit all or certain types of disputes to arbitration and express their willingness to regard the decisions of the arbitration panel as binding.

Industry wide minimum wage rates are fixed through collective bargaining by labor-management boards, which were either set up by law (Trade Boards) or established by the parties in industry wide agreements (Railway Staff National Council). These agreements are usually concluded for a period of several years, but both parties have the right to re-open the negotiations at certain dates. In many industries a change in wage rates is dependent either upon a change in the cost-of-living index, published by the Ministry of Labour and National Service, or upon a change in the market price of the product. These sliding wage scales assure the worker of a steady maintainance of his buying power regardless of price fluctuations. In many cases wages are raised independently of the cost-of-living index. This is done either to counter the Trade Unions' accusations that the employers want to freeze wages on a fixed level of buying power, or to attract workers to an industry which has an acute labor shortage.

This system of voluntary agreements was somewhat

changed by the recent war emergency. With the establishment of the National Arbitration Tribunal¹ all disputes became subject to compulsory arbitration. The same law made the decisions of the Industrial Court and other panels of voluntary arbitration de iure binding on both parties. These innovations, so far unknown in British labor relations, were enacted to eliminate all possibilities of work stoppages during the war emergency. But the law states that this system of compulsion will be abolished as soon as the emergency is over. Many government and labor leaders have emphasized that industrial relations in Great Britain should, in peace time, not be regulated by legislation, but be based on voluntary collective agreements. Mr. Ernest Bevin, then Minister of Labour, addressing a convention of building employees in January 1945, said:²

It ought not to be beyond the wit of man to find a system which avoids that catastrophic disturbance in our domestic life, with half a week's pay when you are expecting a full one. But it should be done after the war in a voluntary way and not under government control. I invite you to relieve me of all the difficulties of the Essential Work Order, to take it over and do it all in your collective agreements, which I think you will be able to do in a very satisfactory manner.

The present labor-management relations in England are good. Whether this is traceable to the fact that industry wide collective bargaining has been practiced in most

1. See Appendix II.

2. See Labor and Industry in Britain, July 1946, pg. 103.

industries and has led to the establishment of extensive negotiating machinery, or whether this development would have occurred just the same under any other system, is a question which cannot be answered conclusively. The fact remains that strikes have considerably decreased during the last decades. It is true that during World War II about 8,000,000 workers were covered by the Essential Work Orders, which made strikes and lock-outs in the essential industries subject to these orders practically impossible. But during the years 1945-1946 these Orders were gradually restricted and now cover only about 2,000,000 workers.¹ In spite of this change to peace time conditions, the average monthly loss of working days through strikes and lock-outs reached a new peace time low of only 174,000 during the first 5 months of 1946. Since the number of wage earners in March 1946 was 20,521,000, the average loss of working days was only 85/1000 of 1 per cent.²

The good labor-management relations prevailing in Great Britain were reached through the united efforts of employers' and workers' associations. The authority exercised by these organizations in many cases has prevented the outbreak of local, unauthorized strikes and lock-outs, and has caused a feeling of responsibility on both sides. Whether or not these accomplishments can be traced to industry wide collective bargaining is a question which remains open for discussion.

1. See Labor and Industry in Britain, July 1946, pg. 102.

2. Labor and Industry, August 1946, pg. 120.

Chapter 7.

Introductory Remarks

Collective bargaining in Sweden is industry wide in character. The agreements, which are usually long-term contracts covering working hours, negotiation procedures, basic rights of workers and employers, wage rates and differentials, and other terms of employment, are concluded for a period of two or three years. During the last year it has become customary to have the agreements end on December 31, with notice for the termination given three months before that date. The parties to the industry wide agreement are the central organizations of employers and employees, and as most firms in a specific line of industry, and the national union of the employees, including workers regardless of skill in this same industry. The agreements are binding on both parties and disputes are referred to arbitration by the Labor Court.

Part II.

Industry Wide Collective Bargaining in Sweden

Disputes arising from the interpretation and application of the existing contract which cannot be settled amicably either on the plant level or, if that fails, by boards established by the central organizations of employers and employees are subject to compulsory arbitration by the Labor Court and cannot be made the issue for strikes and lockouts. Disputes involving the renewal or modification of the expiring contract are not subject to compulsory arbitration. Only rarely do

Chapter 7.

Introductory Remarks

Collective bargaining in Sweden is industry wide in character. The agreements, which are usually lengthy documents outlining working hours, negotiation procedures, basic rights of workers and employers, wage rates and differentials, and other terms of employment, are concluded for a period of two or three years. During the last years it has become customary to have the agreements end on December 31, with notice for the termination given three months before that date. The parties to the industry wide agreement are the central organizations of the employers, including all or most firms in a specific line of industry, and the national union of the employees, including workers regardless of skill in this same industry. The agreements are binding on both parties and damages for breach of contract are awarded by the Labor Court.

Disputes arising from the interpretation and application of the existing contract which cannot be settled amicably either on the plant level or, if that fails, by boards established by the central organizations of employers and employees, are subject to compulsory arbitration by the Labor Court and cannot be made the issue for strikes and lockouts. Disputes involving the renewal or modification of the expiring contract are not subject to compulsory arbitration. Only rarely do

Chapter V.
Introductory Remarks

Collective bargaining in Sweden is industry-wide in character. The agreements, which are usually tripartite documents outlining working hours, vacation procedures, rates of increase and other matters, are concluded for a period of two or three years. During the last year it has become customary to have the agreements end on December 31, with notice for the termination given three months before that date. The parties to the industry-wide agreements are the central organizations of the employers, including all or most firms in a specific line of industry, and the national union of the employees, including workers regardless of skill in this same industry. The system is not binding on both parties and disputes for breach of contract are handled by the Labor Court.

Disputes arising from the interpretation and application of the existing contract which cannot be settled amicably either on the plant level or, if that fails, by tripartite arbitration by the central organizations of employers and employees are subject to compulsory arbitration by the Labor Court and cannot be made the issue for strikes and lockouts. Disputes involving the renewal or modification of the existing contract are not subject to compulsory arbitration. Only rarely do

unions and employers agree to submit this type of disputes to voluntary arbitration. Once all possibilities of peaceful agreement on the terms of a new contract are exhausted, the parties are at liberty to take coercive measures as soon as the old contract has expired.

An essential prerequisite for the smooth functioning of industry wide collective bargaining is the organization of employers and workers in strong and industry wide associations. In Sweden this has taken place to a large extent. All industry wide agreements are concluded by the central bodies of the employers' and employees' organizations, the representatives of the employers having power to sign the agreement without further consultation with, or approval by, the members of their association, while the decisions of the representatives of the employees must be confirmed by a referendum of the members of the national union to become binding. These negotiating bodies are constituted by an equal number of employers' and employees' representatives. Besides negotiating new agreements, these boards also deal with the adjustment of grievances, which could not be settled at the plant level, and discuss important matters concerning the industry as a whole. These regular meetings contribute a great deal to a better understanding of the problems confronting both parties and eliminate many obstacles encountered in the drafting of a new contract.

In the consecutive chapters a short outline of em-

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In the consecutive chapters a short outline of an-

employers' and employees' organizations will be given, followed by a discussion of industry wide collective bargaining in the iron and steel industry. Next, the clauses generally found in industry wide agreements will be discussed more in detail. The law regulating collective agreements and establishing a Labor Court will then be reviewed and the implications of the Basic Agreement examined. Some comments on the experiences and results of industry wide bargaining in Sweden will conclude this part of the thesis.

and went on strike. Even though there was no disorder, the army and navy were alerted and the workers were forced to go to work. The leaders of the "rebellion" were jailed and a large number of families were evicted from the workers-owned houses. The strike was lost because the workers were not organized. In 1898 the workmen met in Stockholm and formed the first union in Sweden.

Organization grew slowly at first. But by 1900 there were 32 national unions, most of them industrial. Today, more than 2,000,000 workers are organized in 46 national unions, most of which are affiliated with the Swedish Federation of Trade Unions (Landsorganisationen i Sverige). At the head of this federation is the Executive Board of five

1. Sources: Paul E. Hargren, *The Swedish Collective Bargaining System*, Harvard University Press 1941, and James F. Robbins, *The Government of Labor Relations in Sweden*, the American-Scandinavian Foundation and the University of North Carolina Press 1943.

2. See Appendix VII.

Chapter 8.

The Organization of Unions¹

The first important strike in Swedish labor history took place in the sawmill town of Sundsvall on Sweden's east coast in 1879. Because of a general depression in the lumber market, the sawmill owners in this town reduced the wages from 15 to 20 percent. The workers, who earned only from one to three and a half krona for a twelve hour day, protested and went on strike. Even though there was no disorder, the army and navy were alerted and the workers were forced back to work. The leaders of the "rebellion" were jailed and a large number of families were evicted from the company-owned houses. The strike was lost because the workers were not organized. In 1880 the woodworkers met in Stockholm and formed the first union in Sweden.

Organization grew slowly at first. But by 1900 there were 32 national unions, most of them industrial. Today, more than 1,000,000 workers are organized in 46 national unions², most of which are affiliated with the Swedish Federation of Trade Unions (Landesorganisationen i Sverige). At the head of this federation is the Executive Board of five

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2. See Appendix VII.

persons. Next to it is the Council, which consists of 46 members, each representing one of the affiliated national unions. Usually once every year the Congress of the Federation, a large representative body of delegates from all affiliated unions, meets to discuss and set forth policies concerning the whole labor movement.

In 1937 72 percent of the members of the Federation belonged to national, industry wide unions, 15 percent to multi-lateral unions and only 13 percent to craft unions. The multi-lateral unions include laborers and general workers in various industries, such as, for instance, the Factory Workers' Union which covers: stevedores, teamsters, sugar factory workers, wood pulp workers and paper mill workers. Thus the organization of labor on an industry wide, rather than on an occupational, scale is practically completed in Sweden.

But only after the Federation changed its statutes to permit admission of industry wide associations as well as single firms, thus keeping intact the national organizations of the various industries and giving them a prominent place

1. G. Hallendorff, Svenska Arbetsgivarförbundet, 1902-1927, Stockholm 1927, as mentioned by Paul H. Morgan in The Swedish Collective Bargaining System, Harvard University Press 1941.

Chapter 9.

Employers' Organizations

In Sweden dealings between labor and management are to a very large degree "collective on both sides". In the beginning the employers were very slow in organizing and at the turn of the century, when unions had already been established on a nation wide scale covering practically every industry, combinations among employers for the purpose of collective bargaining were still almost unknown. But as the unions began to grow and especially after the general strike of 1902, the pressure on the employers to organize became stronger and stronger.

In September, 1902, the Swedish Employers' Federation (Svenska Arbetsgivarföreningen) was formed with the purpose of joining all industries on a nation wide scale. The stated aim of the Federation was "to assist (its members) in settling conflicts between them and their workers and to render them pecuniary aid for losses incurred through strikes and lockouts".¹

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in the organizational setup, did the Federation become really nation wide.

By 1943 the Federation consisted of 40 different trade associations, numbering about 7600 members employing 457,000 workers.¹ The by-laws of the Federation indicate that individual firms are shareholders in the Federation and pay dues and insurance premiums on the basis of the number of workers employed. These dues, after administration expenses, go into a "strike and lockout fund" now amounting to about 100,000,000 kronor. Each firm also posts a guarantee bond, based on the number of workers employed. In case of a strike or an authorized lockout, all affected members of the Federation receive help. These benefits are paid according to the number of workers involved in the dispute.

Highest authority is the General Meeting of the Employers' Federation, which includes delegates from all constituent associations. It elects an Executive Board on which each principal industry is represented. There is in addition a Committee of Delegates on measures of compulsion and on the use of guarantee bonds from the shareholding members.

Outside of the Federation are the Shipowners' Association, the Agricultural Employers' Association, the Railroad Employers' Association and others. While these employers' organizations are not formally affiliated with the Federation, some of them cooperate with it as emergencies arise.

1. See Appendix VIII.

The transition from local to national agreements was the necessary result of the employers' organization. The necessity for uniformity of wage and working conditions in all plants turning out the same product was evident to employers and employees. The fact that the levelling process of nation wide negotiations would also result in higher wage scales for the relatively low paying employers seemed to the latter less dangerous than the increase in wages they foresaw the unions forcing on them if they remained unorganized.

A second important consequence of employers' associations was the development of "industrial agreements" (industriavtal). From the start the craft unions had insisted on negotiating agreements with the employers independently of other bodies represented in the same plants. The employers had always been opposed to this arrangement because of the time and trouble involved. Soon after they became organized, they began to force the issue on this point. Since then, practically all employers' associations have taken up the policy of pressing for industry wide contracts and as a result this type of agreement is today the dominant feature in Swedish labor relations.

The employers' immediate objective was to stop the workers' forward push, but they did not try to destroy the unions. They discovered that the existence of mutually agreed-upon contracts, stipulating important terms of employment for the whole industry, benefited them as well as the

workers. It provided a reasonably good insurance against strikes during the life of the agreement and lessened materially the number of complaints from individuals and small groups of workers. It is an undeniable fact that the most important developments in the evolution of written agreements occurred immediately after and largely as a consequence of the formation of the employers' associations.

agreement, the Metalworkers' Union and the Swedish Machine Makers' Association, were appropriate before going into the examination of the collective bargaining procedure.

In 1888 the Metalworkers formed a national union which, during the following years, assimilated all existing local unions in the iron and steel industry. At the end of the year 1943 this national Federation of Metal Industry Workers had a membership of 199,816. The three constituent groups within the Federation are the Pipefitters, the Automobile Repairs and the Metal Manufacturing Workers. Each group bargains separately with the corresponding organization of employers and the final balloting on acceptance or rejection of the terms is done by the group members only. The Federation is subdivided into 343 locals, which cover an entire city or town and comprise all members in all work places and occupations within the designated area. The representation, necessary for efficiency in local bargaining, is obtained by electing the

1. Sources: Paul Berggren, op. cit., and Sigfrid Jansson, Employers and Workers in Sweden, the Royal Swedish Commission, New York World's Fair 1939.

Chapter 10.

Industry Wide Collective Bargaining in the Iron and Steel Industry¹

The iron and steel industry was one of the first industries in Sweden to conclude industry wide agreements. Therefore a more detailed discussion of the two parties to the agreement, the Metalworkers' Union and the Swedish Machine Makers' Association, seems appropriate before going into the examination of the collective bargaining procedure.

In 1888 the metalworkers formed a national union which, during the following years, assimilated all existing local unions in the iron and steel industry. At the end of the year 1943 this national federation of Metal Industry Workers had a membership of 199,216. The three constituent groups within the federation are the Pipers, the Automobile Repairmen and the Metal Manufacturing Workers. Each group bargains separately with the corresponding organization of employers and the final balloting on acceptance or rejection of the terms is done by the group members only. The federation is subdivided into 343 locals, which cover an entire city or town and comprise all members in all work places and occupations within the designated area. The segregation, necessary for efficiency in local bargaining, is attained by splitting the

1. Source: Paul Norgren, op. cit., and Sigfrid Hansson, Employers and Workers in Sweden, the Royal Swedish Commission, New York World's Fair 1939.

locals up into shop unions (verkstadsklubber). The chief reason for having the local subdivisions according to occupation or workplace is the greater convenience and effectiveness in straightening out group grievances and other local difficulties.

Nevertheless, this federation is a single nation wide organization, a cohesive unit with a single set of officers, a single central headquarters, a single schedule of due payments for all members. Only in respect to the contract-making function of the national union, was a certain segregation of the membership into groups considered necessary.

The iron and steel manufacturers were much slower in organizing than their workers. This slowness is explainable by the fact that, even though the iron and steel industry was the only well established line of manufacturing in Sweden at the end of the last century, it was carried on by small manufacturers with long traditions and family pride. For these reasons and because of the "cut-throat" competition in this particular line of industry, the owners of these small family concerns were, for a long time, not willing to associate with each other. The first combination of employers in the iron and steel industry was the Machine Makers' Association (Verkstadsförening), which was founded in 1896 by James Keiller, the English owner of Gothenburg's largest machine shop. This local organization expanded very slowly and it was not before June 7, 1902 that a large group of

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machine shop and foundry owners met in Gothenburg and formed the Swedish Machine Makers' Association (Sveriges Verkstadsförening).

The first conference between the Metalworkers' Union and the Machine Makers' Association took place in 1903. The Machine Makers' Association had proclaimed an industry wide lockout at the occasion of minor strikes in the industry. The real purpose behind this lockout was to force a showdown with the union and put a stop to the "tyranny of the Unions' demands". As a result of this first industry wide conference the lockout was called off and the minor strikes settled. But it took two years and another general lockout to reach a final agreement. Finally, in November 1905, minimum wage rates, uniform hours of work, overtime payment schedules and rules for settling disputes were established in all plants owned by members of the Machine Makers' Association. In addition to these accomplishments, the Association had succeeded in bringing together four national unions - metalworkers, molders, woodworkers, laborers and factoryworkers - under the same contract. When this contract expired in 1908 the employers were able to force the inclusion of four additional organizations as signatories to the new agreement. The iron and steel industry's national agreement thus became a fullfledged industry wide agreement, covering practically all types of wage earners within the industry.

The negotiating machinery for the writing of a new contract or the renewal of the old one consists of boards,

constituted by an equal number of delegates of the Machine Makers' Association and the representatives of the Metal Workers' Union. Three months' notice before terminating the contract, which otherwise would renew itself automatically, is required. If during these three months the negotiations do not lead to a new agreement, both parties are at liberty to take coercive measures. Not voluntary or compulsory arbitration for the settlement of this type of dispute is provided by law or otherwise. If an agreement is reached, it must be approved by a referendum of the members of the Metal Workers' Union before it becomes binding.

The grievance procedure, dealing with disputes arising from the interpretation and the application of the existing contract, begins with negotiations before the shop committee, consisting of the Supervisor, representing the management, and the shop steward, representing the union. If not adjusted there, the grievance is brought before a labor-management board, composed of the head of the local union, the manager of the plant, and other members representing the employers and employees in equal numbers. Major grievances not settled by one of the two aforementioned boards are discussed before a third board, composed of an equal number of representatives of the two central organizations, the Machine Makers' Association and the Metal Workers' Union. If no agreement can be reached, the case goes before the Labor Court for final decision, which is de iure binding on both parties.

The bargaining procedure with the other national unions (woodworkers, molders, etc.), whose members are engaged in the iron and steel industry and covered by the same industry wide agreement, is similar to the one mentioned above and needs no further discussion.¹

1. For reasons of simplification the less important parties to the industry wide agreement in the iron and steel industry were not included in this discussion. There are on the employers' side the Iron Works Association (including on December 31, 1943, 81 firms employing 47,490 workers), the Automobile Workshop Association (318 firms employing 4,664 workers) and the National Association of Pipe Fitters (313 firms employing 5,569 workers), and on the workers' side the Sheet Iron Workers' Union (including on December 31, 1943, 57 locals with 2,751 members), the Foundry Workers' Union (132 locals with 10,363 members) and an undetermined number of members of several multilateral industrial unions.

Chapter 11.

Standard Clauses in Collective Agreements¹

In most branches of industry the clauses outlining the terms of employment are contained in national industry wide agreements, governing all organized plants and all wage earner occupations within a given industry. In these agreements "fixed rules" are predominant over "adjustment machinery". This means that the stipulations of the agreements are very much detailed and hours of work, wage rates, overtime, and other conditions of employment are stated with great care. Even so, it is impossible to foresee all situations which may arise during the life of the contract and the establishment of some machinery to settle disputes is essential. This machinery consists of Boards, composed of an equal number of members of the national employers' and employees' organizations. They are permanent institutions, established for the purpose of discussing and settling all problems and disputes arising during the life of the contract. Before 1928 a failure of these Boards to adjust a dispute usually led to strikes and lockouts. But since the establishment of the Labor Court², disputes arising from the interpretation and the application of the contract are

1. Source: Paul Norgren, op. cit., Sigfrid Hansson, op. cit. and Naboth Hedin, What Can the United States Learn from Sweden's Past Labor Pains? reprinted from the Commercial and Financial Chronicle, May 23, 1946.

2. See Chapter 12.

subject to compulsory arbitration and cannot be made an issue for coercive measures. Usually no arbitration is provided if the parties fail to agree on the terms of a new contract. After ratification by the union members, the agreements are binding on both parties.

In the following paragraphs a short outline of the more important clauses generally found in industry wide contracts will be given.

Clauses stipulating the basic rights of workers and employers.

In 1906 strikes for a closed shop were wide-spread and in this crisis the Swedish Employers' Federation made its first attempt to come to an agreement with the Swedish Federation of Trade Unions. The Employers' Federation proposed a meeting on the subject of a clause, to be incorporated in all national agreements, stipulating full discretion for the employer to hire and fire both organized and unorganized labor. The meeting took place and the parties agreed:

1. That the employers had the right to run their business in their own way, which includes the right to hire and to fire.

2. That the workers had the right to organize and to bargain collectively.

Thus the open shop became part of the first agreement between the Swedish Employers' Federation and the Swedish Federation of Trade Unions. As a matter of fact the open shop was the condition under which the employers agreed to recognize the unions. The right of the employers to hire and

fire is used with the greatest discretion. A worker is reminded three times that his output is unsatisfactory and his union is informed of these warnings, before he is dismissed for inefficiency. The seniority principle in lay-offs and re-hiring was requested by the unions, but the employers refused this demand and were, after the creation of the Labor Court, supported by the latter. However, between men equally valuable to the company, the employer voluntarily respects seniority rights.¹

The first clause, which stipulates that the employer shall have "full freedom to take on and discharge workers, to lead and allot the work, and to employ workers regardless of whether they belong to organizations or not"² has lost its importance as far as the "hiring of workers regardless of whether they belong to organizations or not" is concerned, since about 90 per cent of all workers are organized in unions and the employer has little choice between union and non-union workers.

Sympathy clause.

This clause, now contained in all industry wide agreements, provides that "lockouts ordered by the central employers' association and strikes or blockades ordered by the central workers' organization, shall not be considered a break of this contract."³ The clause is usually invoked for

1. In the Basic Agreement of 1939 the employers agreed to consider the length of employment between workers of similar skill. (See Chapter 7.)

2. Paul H. Norgren, op.cit.

3. Ibid.

the declaration of sympathetic strikes and lockouts. Its strict application is possible only through the strong centralization of employers' and workers' associations. The inclusion of the sympathy clause into labor contracts was requested by the Swedish Employers' Federation, who claimed that the workers "never consider themselves prohibited by their contracts, from taking part in any sympathetic strike".¹ This clause, originally meant to be a defensive device, was soon used by the Swedish Employers' Federation to force the unions, under the threat of nation wide lockouts, to yield to their demands. This was done for the first time in 1903, one year after the foundation of the Swedish Employers' Federation, in order to force the national unions to call off some minor local strikes.

The clause concerning wage differentials according to localities.

In accordance with the wishes of the employers as well as the workers, wage rates for similar work in similar industries are established on a national and industry wide base. This general principle is modified by the systematic classification of all localities in the country into certain groups according to the cost of living differentials. This statistical work was first started in 1906 by the State Board of Trade and continued in 1914 by the Social Board, who made a survey of the 3500 odd localities in Sweden. First the average cost of living of all these localities was computed.

1. Paul H. Norgren, op. cit.

This nation wide index was then applied as a measurement for the cost of living in specific localities, i. e. the cost of living of a locality was expressed in a percentage of the average for the whole country. These local indexes, arranged in ascending series, were divided into seven groups with approximately equal differences between the mean indexes for each adjacent pair of groups. This survey has since been repeated by the Social Board every 5 years.

Most national collective agreements have taken this grouping as a basis for computing the cost of living differentials and have fixed wage rate differentials according to the area in which the plant is located. The number of these groups in national, industry wide contracts ranges from 3 groups in the machinery industry to 9 groups in the building trade. The total differential between the lowest and the highest group in these agreements varies from 12% in the Slaughtering and Meat Packing industry to 47% in the Wood Products industry.

Clause concerning piece-work rates.

Another feature of national agreements is the piece-work rate. The principle of paying the worker according to his productivity was, in the beginning, strongly opposed by the unions. But during the first two decades of this century they reversed their attitude because of important concessions granted by the employers as to the fixing of the piece-work rates. Today, about 80% of the industry wide agreements contain a clause providing that piece-work rates should be

applied wherever possible, but that upon improvement in production methods the affected piece-rates may be terminated immediately by either party.

The 48 hours a week clause.

A clause providing for a working week of 48 hours, usually divided into 5 days of $8\frac{1}{2}$ hours each and one of $5\frac{1}{2}$ hours, is contained in most industry wide agreements. In 1920 a law stipulated that 48 hours' work a week was the maximum. It is interesting to note that the unions have made no serious attempt to reach the 40 hours' week, which demand became so wide spread in other industrial countries. The reason for this attitude is the acute labor shortage in Sweden and, consequently, the impossibility of spreading the work over a larger number of workers. Thus the reduction of the basic work week from 48 to 40 hours would not lead to the desirable shortening of the hours of work, but merely to an increase of wage rates. Such an increase could not be sustained by the Swedish industry, which depends so largely on highly competitive exports. This situation has been recognized by the labor leaders, who do not wish to damage the country's economy through irresponsible demands.

Dispute clause.

In nearly all contracts between a member of the Swedish Employers' Federation and a member of the Swedish Federation of Trade Unions the clause concerning the settlement of disputes reads as follows:¹

1. See Paul H. Norgren, op. cit., ppg. 116-117.

When differences arise as to the meaning or application of this agreement, negotiations shall be instituted, first between the immediately affected parties, and thereafter (if no settlement can be reached) between the respective central organizations. Such differences may not be made the occasion for stoppages of work, whether by strike, blockade, lockout or any other method, until an attempt at peaceful settlement has been made in the manner prescribed above.

Since the establishment of the Labor Court in 1928 this clause was amended to make this type of disputes subject to compulsory arbitration by the Court, whose decisions are binding on both parties. The clause is enforced by the Labor Court, who awards damages to the aggrieved party.

In some contracts the whole grievance procedure is outlined in great detail as to form, time taken up in the various stages, persons to be designated to the negotiation panel, etc.

The "vacation" clause.

Another clause generally found in all industry wide agreements provides for two weeks' vacation with pay. This provision became statutory in 1940.

Termination clause.

All industry wide agreements contain a termination clause, which stipulates that either party to the contract must notify the other party of its intention to revise the agreement at least three months before the termination is to become effective. This notice must be accompanied by a proposal for a new contract. If the contract is not den-

ounced before the stipulated deadline it renews itself automatically for one year.

Other clauses.

Other clauses, not so generally included in national agreements as the above mentioned, are providing for accident insurance, sick leave, regulations about apprenticeship, and the provision for a notice period equally binding for worker and employer.

Chapter 12.

The Collective Agreement Law and the Labor Court¹

Up to 1928, no provision was made as to what should be done when the grievance procedure failed to show results, unless a clause provided for arbitration. Both parties to the contract were free to take coercive action if a grievance could not be adjusted through negotiations. This situation was reversed through the enactment of the Collective Agreement Law and the law providing for the establishment of a Labor Court in 1928. Judicial disposal of disputes concerning the meaning and application of agreements was made compulsory for all industries. New clauses, specifying the Labor Court as the final resort, were added to all industry wide agreements.

The Collective Agreement Law contains provisions regarding the making, scope, enforcement and termination of contracts between employers' or employees' associations and unions. It states, among other things, that every contract must be made and terminated in writing; that it is binding upon all members of the contracting organizations; that no dispute regarding the interpretation or application of an agreement may be made the occasion for lockouts, strikes, blockades or boycotts; that if either of the parties evades

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any of the responsibilities undertaken in the agreement, it may be held liable for any loss or damage sustained by the other party.

For the enforcement of this law a Labor Court was established. This tribunal is especially designed to deal with controversies between the employer or the employers' association and the union as to interpretation of the collective agreement, or to a charge of violation of this agreement. The Court cannot change the content of the agreement or write a new agreement, but can only interpret it and adjudicate damages to the injured party. Thus the law forbids strikes and lockouts during the life of the agreement¹, but as soon as the old agreement has expired and no new agreement can be reached, all coercive measures taken by either party are perfectly legal.

The Labor Court consists of a chairman and six members. The chairman and two members are appointed by the government for a specified term and must be chosen from persons who cannot be considered to uphold employers' or workers' interests. The chairman and one member must be well versed in law; the second member must have special knowledge of labor relations and similar questions. Of the remaining four members, two are to be selected from among nominees, submitted by the Swedish Employers' Federation, and two from a similar list,

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presented by the Swedish Federation of Trade Unions.

Proceedings before this Court, which sits once every week in Stockholm, are informal and legal language is avoided whenever possible. One week before the date of the hearings, both parties, which are usually represented by their central organizations, submit in writing all pertinent facts and name their witnesses. The hearing itself takes about one hour, and the final decisions are handed down within a week or ten days.

This expedient handling of the cases is possible, because through the "dispute clause"¹ in the industry wide agreements the cases will have been through two stages of negotiations - local and central - before coming to the court.

Another reason is given by Mr. Arthur Lindhagen, chairman of the Labor Court²:

Both labor and capital are represented by first class men. Their only objective is to see certain unpleasant questions brought out of the way. They are not interested in haggling over trivial details, or to air their personal prejudices. Of course, not every case is disposed of in a jiffy, but on the whole we experience very little trouble, very little obstruction, and the verbal hearings, unique in any Swedish Court, have proven very satisfactory. The judgments of the Court are obeyed quickly and to the letter."

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2. See Holger Lundberg, Without Appeal - Sweden's Labor Court, published in the American Federationist, June 1935.

During the first ten years of its existence, the Labor Court decided 1970 cases. Of these, 308 were suits brought by employers or employers' associations, while 1650 were brought by workers or unions, and 12 were submitted by ^{laboring} agreement. The complete opinion of the Court is printed, including a dissenting opinion, when there is one, and the vote of each judge is recorded.

the principles of collective bargaining and the voluntary settlement of labor disputes. These negotiations, which lasted two years, were concluded on December 22, 1933, with the approval of an agreement, known as the Basic Agreement. The main provisions of this agreement are¹:

1. The creation of a Labor Market Board, private in character and function, expected to handle certain disputed matters and prevent them from becoming open disputes. This Board is composed of three members each from each of the two central organizations, the Swedish Employers' Federation and the Swedish Federation of Trade Unions, as well as a like number of deputy members from each. The members and deputy members are appointed for a term of three years. In addition, the two central organizations jointly appoint an impartial chairman of the Board for a period of three years, to function in matters concerning the limitation of strikes and lockouts. This chairman is summoned to participate in

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Chapter 13.

The Basic Agreement

The development of industry wide collective bargaining in Sweden was completed, when in 1936 the Swedish Employers' Federation and the Swedish Federation of Trade Unions entered negotiations in Saltjöbaden in order to reach an agreement on the principles of collective bargaining and the voluntary settlement of labor disputes. These negotiations, which lasted two years, were concluded on December 20, 1938, with the approval of an agreement, known as the Basic Agreement. The main provisions of this agreement are¹:

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the deliberations and decision, if no agreement can be reached by the majority of the Board. Finally, one secretary from each of the two central organizations and a varying number of special members, sitting in if wanted on certain disputes, complete the personnel of the Board.

The Board handles particularly certain questions of discharge and lay-off of workers. In addition it deals with disputes on the validity or correct interpretation of the provisions involving the limitation of strikes and lockouts, "on whether a certain action would violate those provisions, and disputes on the legal consequences of an action alleged to have violated those provisions".¹ This applies especially to the limitation of labor conflicts, which would disturb functions essential to the general public (public utilities, railroads).

The Board is a private, conciliatory agency which is not authorized to make decisions which would be legally binding on the parties. Only the associations directly involved in the dispute can take measures against their members towards enforcement of the findings reached by the Board. But usually no pressure from the national association is necessary, because in most cases the parties obey the findings of the Board voluntarily.

2. A uniform system of collective bargaining was established. In the case of a grievance arising from the interpre-

1. See Chapter I, Article 3, of the Basic Agreement.

tation and application of the contract, the negotiations must begin at the plant level, be continued before the boards established by the national organizations of the parties involved, and, if still unsettled, finally be decided by the Labor Court. Disputes involving the interpretation of the Basic Agreement as to the limitation of strikes and lockouts, as well as disputes endangering essential services, are dealt with by the Labor Market Board. No regulation was created for the final settlement of disputes concerning the adoption of new agreements or the prolongation of old ones. The Basic Agreement merely confirms the old rule that both parties must try to bring about a settlement through negotiations. If the agreement on a new contract is impossible, coercive measures can be taken by either party, if approved by the respective Trade Federation. Refusal to negotiate deprives the negligent party of its right to use coercive measures.

3. Rules governing lay-offs and dismissals. In these rules consideration is given to the necessity for the employer to keep the efficient and suitable workers. Between workers of similar skill and ability, the length of employment and the question of dependents should be considered. The union must be informed of the lay-off one week in advance, if the worker has been employed for not less than one year.

4. Limitation of strikes and lockouts. This part of the Basic Agreement enumerates the cases in which strikes and lockouts are forbidden under all circumstances. This

includes strikes for the purpose of persecution for religious, political or other such motives, of preventing somebody from appearing before court, for seeking unjustifiable favors for oneself, and numerous other cases.

It must be emphasized that the Basic Agreement does not forbid strikes or lockouts in case no agreement can be reached on the terms of a new contract, nor does it provide any mandatory arbitration machinery for these cases. It has always been the attitude of employers as well as of unions to hold on to the freedom of action, in case the negotiations fail to produce a new agreement, acceptable to both parties. It is no secret that the Basic Agreement was primarily concluded to avoid legislation which would have compelled both parties to submit their differences to a neutral government agency for arbitration. Sigfrid Hansson, in his concluding remarks to the Basic Agreement, says¹:

As already stated, the agreement was concluded not the least to prevent legislative action in the labor market. The organized employers and workers are on the whole agreed that the system of organization and the development of the right of association and of legal labor rights is best served, if the parties on the labor market and their organizations themselves work to achieve a secure system of rights based on voluntary agreements, a democratic sense of responsibility and a regard for industrial and general welfare. In industry wide agreements, even though they are much more detailed than in England, contain only general directives, which

1. Op.cit. pg. 84. of Shipowners, Agricultural Employers, Railroads and others are not affiliated with the Swedish Employers' Federation, as has been pointed out in Chapter 9.

Chapter 14.

Experiences and Results of Industry Wide

Collective Bargaining in Sweden

In few countries have employers and workers managed to create so wide spread, stable and influential organizations as in Sweden. This sense of organization is more developed by workers than it is by employers. While workers are very nearly 100 percent organized, the employers have still a long way to go to reach this extent of organization. A comparison of the data in Appendices 7 and 8 shows that only 460,000 out of a total of over 1,000,000 organized workers are employed by members of the Swedish Employers' Federation. In addition, about 150,000 workers are employed by members of employers' associations which have not joined the Federation.¹ The remaining 400,000 unionized workers are employed by firms belonging to no employers' association at all.

This strong organization on both sides has made a systematic development of industry wide agreements possible. For many years this type of agreement has been in force in all basic industries and has been found satisfactory to both parties concerned. It has been emphasized that these industry wide agreements, even though they are much more detailed than in England, contain only general directives, which

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should govern the whole industry during the life of the agreement. They include, in addition to wage rates and differentials, maximum working hours and standards for other conditions of work,¹ the patterns for industry wide negotiating machinery and, since 1938, a clause adopting the Basic Agreement as a part of the contract. Besides this industry wide agreement there are a large number of regional and local contracts dealing with specific conditions in certain parts of the country or in individual plants. At the present time it is estimated that 11,000 collective agreements are in force.²

Parties to the industry wide agreements are the national organizations of employers and employees, while regional and local contracts within the framework of the industry wide agreement are concluded between the individual employer or a local group of employers and one or more local unions. The industry wide agreements must, in order to become binding, be ratified by a majority of the workers concerned. The local contracts must be approved by the national organizations of employers and employees. This rule was imposed in order to keep the national organizations informed at all times and to enable them to determine whether the local contracts fit into the framework of the industry wide agreement.

The establishment of an industry wide negotiating machinery is considered to be an integral part of these

1. See Chapter 11.

2. Naboth Hedin, op.cit. pg. 5.

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¹ See Chapter II, Section 1.1. ² S. Nathan Rubin, op. cit. p. 5.

agreements. This finds its explanation in the fact that, with the sole exception of the Labor Court, no such machinery was ever established by law. Thus it became imperative for the parties to establish labor-management boards, in order to provide a platform on which all controversies arising during the life of the contract as well as the negotiations leading to a new contract can be dealt with. The Basic Agreement established uniform rules for negotiations in all industries. It prohibits coercive measures before all means of negotiations are exhausted and before a proposed strike or lockout is approved by the national organization.

In spite of these elaborate rules for the settlement of disputes and the strong aversion of labor and management leaders to coercive measures, labor relations in Sweden have not been peaceful always. In the 1920's¹ the number of working days lost through strikes and lockouts during each of five average years totaled 5,108,200, while the cost to labor unions for strike benefits averaged 6,355,400 kronor; the corresponding amount for mutual support of the employers reached 5,953,877 kronor. In the following years labor relations improved considerably and in the late 30's the annual average loss of working days was 565,800 with average costs to the labor unions of 1,463,000 kronor and to the employers' organization of 797,368 kronor. During World War II this improvement in labor-management relations continued

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and reached its peak in 1943, when only 28,000 working days were wasted through strikes. In this same year, 99 percent of all wage conflicts were settled through negotiations and 99.9 percent of all workers renewed their contracts without friction.

Unfortunately, this condition of almost perfect harmony did not persist. In 1945 about 125,000 metal workers went on a strike, which lasted over five months. The goal of the walkout, to secure wages which would take into account the much higher cost of living, was not reached. The minimum wage rates were raised by about 2 cents an hour and piece work rates were increased by 5 percent. Only about one third of all the striking workers were affected by these increases, while the majority of the higher skilled workers did not receive any raise at all. Because of this strike of the metal workers and some minor walkouts in other industries the number of working days lost in 1945 was nearly 15,000,000 and the cost to the unions in strike benefits about 40,000,000 kronor. The cost of the strike to the employers was not made public. In 1946 the situation was much improved, not only because the financial resources of the unions were exhausted through the long lasting strike in 1945, but also because the cost of living was slowly receding, following the end of the war in Europe. The outlook for 1947 seems to be equally good. No notice for the termination of the current agreements of the basic industries was served on September 30, 1946 (the date of notice

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Unfortunately, this condition of almost perfect harmony did not persist. In 1946 about 125,000 metal workers went on a strike, which lasted over five months. The goal of the walkout, to secure wages which would take into account the much higher cost of living, was not reached. The minimum wage rates were raised by about 2 cents an hour and piece work rates were increased by 5 percent. Only about one third of all the striking workers were affected by these increases, while the majority of the higher skilled workers did not receive any raise at all. Because of this strike of the metal workers and some minor walkouts in other industries the number of working days lost in 1946 was nearly 15,000,000 and the cost to the unions in strike benefits about 40,000,000 kroner. The cost of the strike to the employers was not made public. In 1946 the situation was much improved, not only because the financial resources of the unions were exhausted through the long lasting strike in 1945, but also because the cost of living was slowly receding. Following the end of the war in Europe. The outlook for 1947 seems to be equally good. No notice for the termination of the current agreements of the basic industries was served on September 30, 1946 (the date of notice

of contract expiration). This means that the contracts are renewed automatically for another year and that no major conflicts can be expected for 1947.

An examination of the wages earned by Swedish workers shows that the hourly wage rate more than trebled between 1913 and 1938 (1913 - 100, 1938 - 309). After allowances for the higher cost of living are deducted, the real wage index during the same period rose from 100 in 1913 to 186 in 1938; gross annual income of a manual worker rose 137 per cent, or 43 percent in terms of real wages. This means that the average worker in 1938 had about one and a half times as much money to spend as he had 25 years before. This improvement has expressed itself in a higher standard of living, including better housing, more and better food and clothing.

After having examined all these facts the obvious question arises, whether these accomplishments could also have been reached if collective bargaining on a local basis had been practiced. For the answer to this question similar arguments to those already made in the case of the English bargaining procedure must be applied.¹ In addition, the opinion is ventured that the much stricter organization of labor and management in Sweden and the fact that nearly all industries are covered by the Basic Agreement has proven to be a step toward the improvement of labor relations. No free system designed by man will be able to eliminate labor

1. See Part I, Chapter 6.

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In examination of the wages earned by Swedish workers it shows that the hourly wage rate more than tripled between 1913 and 1938 (1913 - 100, 1938 - 302). After allowances for the higher cost of living are deducted, the real wage index during the same period rose from 100 in 1913 to 182 in 1938; gross annual income of a manual worker rose 127 per cent, or 25 percent in terms of real wages. This means that the average worker in 1938 had about one and a half times as much money to spend as he had 25 years before. This improvement has expressed itself in a higher standard of living, including better housing, more and better food and clothing.

After having examined all these facts the obvious question arises, whether these socio-economic trends could also have been reached if collective bargaining on a local basis had been practiced. For the answer to this question similar arguments to those already made in the case of the English bargaining procedure must be applied. In addition, the opinion is ventured that the much stricter organization of labor and management in Sweden and the fact that nearly all industries are covered by the basic agreement has never to be a stop toward the improvement of labor relations. No free system designed by man will be able to eliminate labor

disputes entirely, but it is believed that the Swedish system of voluntary agreements on a large scale is the right way in this direction. The frequent meetings of labor and management leaders for the purpose of administering and negotiating industry wide agreements has resulted in a feeling of mutual respect and appreciation between the two parties. This has proven to be an important factor in the peaceful settlement of labor disputes.

Part III-

Industry Wide Collective Bargaining in the United States

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Chapter 15.
Introductory Remarks

In this country industry wide collective bargaining is the exception rather than the rule. The reason for this situation must be seen in the attitude of many employers who, until lately, have refused to acknowledge the right of the workers to bargain collectively on a large scale. Accordingly, with the few exceptions to be pointed out in a later chapter, they have failed to include collective bargaining as one of the purposes of their own organization. Industry wide collective bargaining does not, at the present time, convey

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that an agreement covering certain terms of employment for the whole industry with due consideration to local conditions would limit his independence and his opportunity to make greater profits than his competitor. The thought that an agreement on certain principles, valid for the whole industry, would simplify his relationship toward his employees and would, in many cases, help him to avoid costly strikes, has obviously not occurred to him. At the present time most employers know that collective bargaining on a large scale is here to stay, but they have, in most cases, preferred to bargain collectively on a sectional rather than on a nation wide basis. Numerous employers' associations are in existence which, like the New England Shoe and Leather Manufacturers' Association, conclude industry wide agreements for

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their section. Others, like the San Francisco Manufacturers' Association, include all industries of the section in their agreements.

On the workers' side, the fact that only about 50 per cent of the wage earners are organized in trade unions and that there is, since 1936, no overall federation of trade unions, makes a uniform policy for reaching industry wide contracts difficult.

Before entering the discussion of industries using industry wide collective bargaining, it should be pointed out that a number of other industries (not included in this treatise) have industry wide agreements covering one specific item only. An example of this is the automotive industry, where, during the last years, the automobile manufacturers and the United Automobile Workers (CIO)¹ have concluded agreements in which all wage rates were increased by the same percentage.

1. In 1936 the United Automobile Workers of America left the AFL and joined the CIO. Two years later a split occurred and several locals under the leadership of President Martin formed a new union which affiliated with the AFL. In 1941 the group remaining with the CIO changed its name to International Union, United Automobile, Aircraft and Agricultural Implement Workers of America, but retained its old initials (UAW-CIO). Its present membership is 1,200,000, while the AFL group has only 50,700. (Source: Twentieth Century Fund - Labor Committee, How Collective Bargaining Works... New York, 1942)

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On the workers' side, the fact that only about 30 per cent of the wage earners are organized in trade unions and that there is, since 1936, no overall federation of trade unions, makes a uniform policy for reaching industry wide contracts difficult.

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But otherwise, contracts expiring at different times, containing different wage rates and working conditions, are negotiated between individual corporations and the union locals, the latter being guided by representatives of the national union. No permanent organization of the employers for purposes of collective bargaining is yet in existence, since the two existing employers' organizations in the industry, the Automobile Manufacturers' Association and the Automotive Parts and Equipment Manufacturers, Inc., do not openly take any part in directing the labor policies of their members. Similar conditions prevail in the meat packing industry, where the employees of the "Big Four" meat packing companies have almost identical collective agreements. Most of the telephone workers are employed by one large company and have for this reason similar terms of employment. The same is true for the telegraph workers.

However, for the purposes of this study the writer will limit himself to the industries mentioned below. He is supported in his opinion that only these industries practice industry wide collective bargaining as outlined in the introduction to this thesis by publications of the Department of Labor¹ and of the National Association of Manufacturers.²

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These industries are:¹

1. The Railroad Industry
2. The Anthracite Mining Industry
3. The Bituminous Coal Mining Industry
4. The Glass Industry
5. The Pottery Industry
6. The Wall Paper Printing Industry
7. The Stove Molding and Hot Water Castings Industry
8. The Wire Cloth Manufacturing Industry
9. The Sprinkler Fitting Industry
10. The Manufacture and Installation of Elevators

Two of these industries, the railroad and the anthracite mining, will be discussed more in detail in a later chapter. The bargaining procedure in the remaining eight industries is very similar to the one in the anthracite mining industry and therefore needs no detailed analysis.

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Chapter 16.

The Unions and Their Views on Industry Wide

Collective Bargaining¹

The first sign of unionism in the United States began on a local basis toward the end of the 18th century. In 1791 the carpenters of Philadelphia staged a strike against an impending reduction of wages. A year later the shoemakers in the same city formed a society for the purpose of maintaining and raising wages. This society was extinguished in 1806 when a charge of conspiracy was filed against it. The first permanent local union in this country was created on April 3, 1803, with the incorporation of the New York Society of Journeymen-Shipwrights.

In the following decades unionism developed from local associations of a single craft to city wide organizations including all crafts. In 1835 the first national unions made their appearance with the nation wide organizations of the carpenters, printers, and shoemakers. These early national unions were loosely knit federations of local craft unions and did not provide benefits for their members. Collective bargaining on a national scale was not mentioned in the charters of these early federations. They merely held conventions in which general policies were discussed.

1. Source: Harvey P. Middleton, Railways and Organized Labor, Chicago, Railway Business Association, 1941, and Twentieth Century Fund Labor Committee, Trends in Collective Bargaining, New York 1945.

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I. Source: Harvey P. Middleton, Railways and Organized Labor, Chicago, Railway Business Association, 1941, and Twentieth Century Fund Labor Committee, Trends in Collective Bargaining, New York 1945.

In 1869 the Knights of Labor were organized. It was the first organization in American labor history to admit unskilled and semi-skilled workers. The fundamental theory of the Knights was that of unity of interests of all productive workers regardless of skill or craft. With the organization of the Federation of Organized Trade and Labor Unions of the United States and Canada in 1881, which in 1886 changed its name to American Federation of Labor, a rival to the Knights appeared in the field. This new organization was based on the idea of trade autonomy. The goal was to organize all workers in national or international unions of their particular crafts. While the Knights of Labor, undermined by the demoralizing effects of violent strikes and boycotts forced upon the leadership by the radical rank and file of the organization, lost all influence during the following years, the American Federation of Labor, which had grown slowly in its early years, reached a membership of 264,824 in 1894. From this year on the growth of the federation became faster and reached 4,000,000 in 1920. In 1946 it had a membership of 7,150,000.

With the organization of unskilled and semi-skilled workers a new type of labor union, vastly different in character from the old craft union, was promoted. This new type of unionism was the industrial union, i.e. the organization of all employees of an industry into a single union, irrespective of trade or craft. The antagonism of these two different kinds of unions and the necessity of a clear-cut

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different kinds of unions and the necessity of a clear-cut

decision concerning the status of industrial unions led in 1934 to a split in the trade union movement.

From the very start John L. Lewis, president of the United Mine Workers of America, which had always been an industrial union, was the leader of the movement. A bitter struggle for the recognition of the industrial unions developed in the American Federation of Labor. This fight was temporarily ended with the acceptance of a compromise stating that the Federation of Labor recognized the difficulty of organizing in craft unions the workers in mass production industries. The Executive Council of the American Federation of Labor was directed to issue charters for national unions in such mass production industries as automotive, cement, aluminum, etc.

This peace proved to be only temporary, for in 1935, at the meeting in Atlantic City, the Executive Council of the American Federation of Labor reported that after a survey of the strength of the organizations already established in the basic mass production industries, it was convinced that the time was not ripe for industry wide unions. This report, which was approved by a two to one majority of the delegates, caused the final split in the American labor movement. Three weeks after the meeting in Atlantic City the Committee for Industrial Organization was formed by the officials of eight dissenting unions. The new organization was headed by John L. Lewis, president of the United Mine Workers' Union, and stated its purpose as being the organization of mass produc-

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tion industries on an industrial basis. The permanent organization of this new labor federation was perfected on November 18, 1938, when at a convention in Pittsburg the name was changed to "Congress of Industrial Organizations". The principal objective of the organization was declared to be: "To extend the benefits of collective bargaining and to secure for the workers means to establish peaceful relations with their employers by forming labor unions, capable of dealing with modern aggregates of industry and finance..."

The new organization included workers in the following mass production industries: automotive, steel, rubber, textiles, lumber, canneries and many others. In 1940 John L. Lewis and his mineworkers deserted the ranks of the Congress of Industrial Organizations and reaffiliated themselves in 1946 to the American Federation of Labor. Unofficial estimates in 1946 place the number of organized workers in this country at 14,500,000, of which 7,150,000 are with the American Federation of Labor, 6,000,000 with the Congress of Industrial Organizations and the rest with the independent unions.

In this country industrial unions have traditionally fought for industry wide bargaining as an ultimate goal of the labor movement. This goal has been reached by only a few labor organizations.¹ The large majority of industrial

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unions must, for the time being, confine itself to collective bargaining on a corporation wide scale. But considering the present size of corporations such as General Motors, with plants spread all over the nation, further development toward agreements which will eventually cover the whole industry is clearly indicated.

Some labor leaders¹ point out that they would rather see wages fixed by minimum wage legislation than by industry wide agreements, confining the latter to the fixing of working conditions, seniority, and union security. These same persons believe that industry wide collective bargaining on a national scale would endanger the personal, human kind of collective bargaining. They believe that personal relationship between management and labor would be lost if all questions were discussed and solved by salaried representatives of the employers' and employees' associations, who know little or nothing about the conditions prevailing in any one specific factory. But they admit that there would be fewer strikes and a more mature attitude of management and labor if the bargaining area could be extended from one corporation to the whole industry. The establishment of compulsory arbitration of disputes arising during the life of the contract and the appointment of impartial umpires in case of necessary changes in the agreement will, in their opinion,

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also lead to a decrease in the number of strikes.

Other labor leaders, being all in favor of industry wide collective bargaining, emphasize the prerequisites of this bargaining system. First of all the employers have to accept fully the principle of collective bargaining, a goal which has, so far, not been attained in this country. In the second place there must be extensive organization of both labor and employer groups. Once these prerequisites are fulfilled, legislative action regulating the grievance procedure and providing for compulsory arbitration of all disputes arising from the interpretation and application of the agreement must be taken. For changes in the nation and industry wide agreement, they suggest government mediation. To put a floor under wages if cuts should become necessary, they advocate the establishment of minimum wages for the whole industry by law. In order to avoid inequalities based on different local conditions, adjustments of the national contract according to the local need should be permissible. They claim that if these conditions should be fulfilled, much of the motive power of militant unionism would be eliminated. Once the unions are convinced that the employers live up to their obligations, a greater restraint and more mutual respect in the processes of collective bargaining would be the result.

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Chapter 17.

The Employers' Associations and Their Views on Industry Wide Collective Bargaining¹

The history of employers' associations in the United States goes back to the colonial period. Most of these associations were founded to provide a platform for the control of the labor market. This control applies especially to the regulation of the supply and demand of, and the price for, labor. Another important aim is to enable the employers to use concerted action in dealing with labor problems. Originally collective bargaining was not the objective of these organizations. Only during the last two decades an increasing number of these associations has begun to conclude collective agreements with the unions on a sectional or, in some cases, a national scale.

In 1870 the National Association of Manufacturers was founded. This organization, together with the National Industrial Council, includes about 40,000 individual firms. It was established to defend the rights of management and to form a counterweight against the growing power of the unions. This organization has tried to influence legislation and has more specifically fought for the "open shop". It is rather loosely organized and no benefits in case of

1. Source: Richard A. Lester, Economics of Labor, New York, The Macmillan Company, 1941.

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strikes or lockouts are provided. There are no subdivisions among the members as to industry or area and only individual firms, not associations, can become members.

Closely connected with and controlled by the National Association of Manufacturers is the National Industrial Council, an organization including trade, local and state associations. The local and state associations, often known under the name of Chambers of Commerce, include all the industries of one specific area. They are mainly concerned with trade matters and deal with labor relations only in a general way. The Trade Associations include most or all firms engaged in a specific line of industry. They are either regional or national in scope. Some of these Trade Associations, such as the Association of American Railroads, negotiate major questions of wage increases, vacations, hours of work and working rules on a national scale.¹ Other Trade Associations, such as the New England Leather and Shoe Manufacturers' Association, negotiate industry wide agreements with the unions for a certain section of the country.

One reason why industry wide collective bargaining on a national scale is so very rare in this country, in spite of good experiences with this system in other countries, lies in the alleged disadvantages claimed by the majority of employers. Some of the more important objections to industry wide collective bargaining, pointed out by the National Association

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of Manufacturers,¹ are:

1. It leads to increased political power of strongly centralized unions and invites government intervention to protect the public interest. It is feared that ultimately the government will control by law all terms and conditions of employment and every phase of operation.

2. It makes possible periodic national disputes between strongly organized industries and labor organizations with serious effects on the public.

3. It enables strong companies within the industry to dominate the whole industry to their advantage. Pressure would always be exerted on industry members to raise wage rates to the level of the highest paying producer. Thus it is dangerous to small companies, who cannot meet the standards imposed by the joint agreements and might be driven into bankruptcy.

4. It reduces the possibility of individual company initiative and destroys the incentives for new business ventures.

5. It is against the public interest because the public is not protected by the natural play of competition which reduces prices, improves quality and increases the amount of goods and services available. The public would be at the mercy of economic and political power placed in the hands of strongly organized industry and union groups.

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6. It widens the gap between employer and individual employee and increases the difficulty in building good will at the plant level.

The objections to industry wide collective bargaining as stated by the National Association of Manufacturers do not seem conclusive to the writer of this paper and some comments are believed appropriate at this place.

The first objection, that industry wide collective bargaining would lead to increased political power of strongly centralized unions and invite government intervention to protect the public interest, seems to overlook the fact that not only the workers but also the employers would be strongly organized. The much greater economic potentialities of these new employer organizations, which would also provide strike benefits to their members, would most likely more than neutralize the increased power of the unions. Besides, American Trade Unionism generally was never inclined to mix into politics. The American Federation of Labor has always declined to back openly any one party all over the nation. Candidates for public office have always been sponsored according to their personal record, not because of their party affiliations. As to the Political Action Committee, sponsored by the Congress of Industrial Organization, it can be said that the poor showing of this organization during the recent elections is not likely to intimidate any employer association. It is improbable that this present situation

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would change if and when industry wide collective bargaining should be established, since the industrial unions are already centrally organized and the innovation would mainly consist in an organization of the employers for the sole purpose of collective bargaining. The feared government intervention would probably rather decrease once the negotiating machinery were established, either through legislation or, preferably, by mutual agreement, because management and labor would be more inclined to settle differences by themselves once the rules of collective bargaining were fixed for the whole industry.

To the second objection, that industry wide collective bargaining makes periodic national disputes between strongly organized industries and unions with serious effects on the public possible, it can be countered that even now it happens frequently that workers of one factory which has no labor troubles with its employees walk out because the workers of another factory are on strike. It is the opinion of responsible labor and management leaders that these sympathetic strikes, as well as walk-outs for other reasons, could be largely eliminated if companies and unions could agree on a common basis of collective bargaining covering the whole industry.

The third objection, that strong companies would dominate the whole industry and drive small companies into bankruptcy, seems sensible at first glance. It merely disregards the fact

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that already now large concerns, like United States Steel, determine to a certain degree the prices of the products and of labor for the whole industry. This is true especially in the case of industries in which only large firms can afford the expensive equipment necessary for efficient production. These firms will always, willingly or unwillingly, influence the standards to be applied for the whole industry. But even if this trend did not exist and all companies could pay wage rates and offer working conditions independent from the ones given by their large competitors, it should be pointed out that in industry wide collective agreements also, adjustments for local conditions can always be arranged.

Now to objections four and five, which state that industry wide bargaining destroys the incentives for new business ventures and is against the public interest because the consumer is not protected by the natural play of competition, which improves quality and reduces prices. The principal argument against these two objections is that the National Association of Manufacturers over-emphasizes the importance of labor cost in manufacture. In the majority of all industries labor costs are 50 per cent or less of the value added in manufacture.¹ Besides, industry wide agreements would by no means equalize the labor costs, because even if wage rates are similar (which is not necessarily the case), labor pro-

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The last objection, that industry wide bargaining would widen the gap between employer and employee and thus increase the difficulty for the building of good will at the plant level, seems to presume that the making of the contract is the only important thing in labor relations and that, if this contract is negotiated by central organizations, no bargaining in the plant will be necessary. This presumption is erroneous and neglects to consider the basic principle of good labor relations, i.e. that the agreement on a new contract is made possible only by close cooperation of labor and management during the life of the old contract. If such close cooperation between factory management and local union exists, the consequence will be that the central organizations of employers and employees, which negotiate the industry wide agreement, would be currently informed of all problems in the industry and could take steps to solve them before serious

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differences, which would endanger the stipulation of the new contract, arise. The every day operation of a factory presents labor and management with numerous problems which must, if the company shall be successful, be amicably settled at the plant level. It must be emphasized that grievances arising from the interpretation and the application of the agreement should be settled in the plant and that arbitration of these disputes should be considered only as a last resort and be used as sparingly as possible. This goal can only be reached by building good will at the plant level.

The comments to the objections made by the National Association of Manufacturers to industry wide collective bargaining are not made to advocate this system as the only possible way to sound labor relations. There is no doubt that this system has, just as well as any other, its drawbacks and that the most important factors in good labor relations are good human relations. But the objections made by the National Association of Manufacturers seem to be unsound and not supported by facts. That is why it was considered necessary to point out some facts which are in contradiction to the stand taken by the National Association of Manufacturers toward industry wide bargaining.

To prove that the attitude of the National Association of Manufacturers is not accepted by all employers, the opinions of two outstanding industrialists are reported in the following paragraphs.

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following paragraphs.

Almon E. Roth, President of the San Francisco Employers Council, emphasized¹ that Master Contracts are not a new idea in this country. They exist in the trucking industry, covering eleven states, in the paper manufacturing industry, covering the Pacific Coast, and in the glass manufacturing industry, covering the whole nation. Among the advantages of industry wide collective bargaining, Mr. Roth mentions the following:

1. The contract negotiations for the whole industry consist of one transaction.

2. Low-wage chiseling by employers is made impossible.

3. The employers get acquainted during the negotiations and are enabled to discuss other problems concerning the industry.

4. The balance of economic power is thrown to the employers, since it forces the union to risk big strike benefits if a strike is called against all employers in the industry under a Master Contract.

Another representative of the employers, Mr. E. H. Van Delden from the Libbey-Owens-Ford Glass Company, gives advice as to the procedure of industry wide collective bargaining, and the rules to be followed.² He makes the following points:

1. The organization must be on a permanent basis. The

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Loosely knit informal organization whereby the responsibility of chairmanship of the collective bargaining conference is rotated, is not adequate. What is needed is a permanent chairman who is responsible for gathering data and for policing the operation of the agreement.

2. Standardization of all essential data. This applies not only to wage, turnover, and absenteeism data, but also includes a job evaluation plan. Inasmuch as job titles may be identical, but job contents are dissimilar, it is impossible to bargain for equitable rates without a uniform method of evaluation.

3. Standardization of all nomenclature.

4. The working unit of the industry wide bargaining unit must be small. It is just as democratic to work through elected committees and considerably quicker and more likely to produce results.

5. The organization agreement must be enforceable. Recalcitrant business men must not be allowed to "kick over the traces" once an agreement has been consummated.

6. Rules of conduct for the industry wide bargaining conferences must be carefully defined and developed. An attempt should be made to keep all discussions away from personalities or grievances against an individual company.

7. Some sort of arbitration must be provided to interpret the agreement and to constitute a terminal point in the industry wide grievance procedure. If this is not done, there

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8. The whole industry must be organized. If only a portion of the industry is in the group, no matter how large a percentage they represent, the few outside can destroy the effectiveness of the agreement. Where a few companies are obdurate, attempts must be made to have them agree to follow the provisions of the trade agreement for their own and the general good.

9. A check with the Anti-Trust Division of the Department of Justice must be made in order to determine how far the organization may properly go to perform the legitimate functions of industry wide collective bargaining. The trade agreement must provide that wage rates are set for the duration of the contract and cannot be brought up as grievances. The approval of rates on new operations must be secured by the International Office of the union.

10. The organization must not be intended or used as a means to destroy the union, but to get along with it. The union and unionism must be accepted as an established way of business life.

Little can be objected to the arguments of these two men who have many years of experience in industry wide bargaining and have found it, if certain rules were applied, quite successful. Some difficulty might be encountered in the application of some of the rules. But these minor details

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(a) The Railroads¹

The first national union in the railroad industry was the Brotherhood of Locomotive Engineers, which was founded in 1863 and had, in 1939,² an estimated membership of 60,000. Next to organize were the Order of Railway Conductors (1868, 55,000 members), the Brotherhood of Locomotive Firemen and Engineers (1873, 30,000 members) and the Brotherhood of Railroad Trainmen (1883, 140,000 members). Official figures of the total membership of the railway unions are not available, but unofficial estimates in 1941 ran as high as 1,200,000.

Railroad employees in this country are now organized in 25 national unions, of which 17, including the operating personnel, are independent and 8, including the non-operating personnel, are affiliated with the American Federation of Labor. 20 of these unions, whose members are exclusively³ employed in the railroad industry, are federated in the Railway Labor Executives Association. Each of these unions represents all the workers in one or several specific lines of railroad employment over the whole industry. The Railway

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2. Last available figures, see National Mediation Board, Sixth Annual Report, 1940.

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Chapter 18.

How Industry Wide Collective Bargaining Works

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Labor Executives Association bargains collectively on an industry wide basis with the Association of American Railroads fixing changes of wage rates and hours of work for their members. The agreement on working rules is left to the individual company and the local union. At the present time about 4,000 agreements of this kind are on file with the National Mediation Board.

In view of the vital importance of the railroads to the economy of the country, an elaborate system of collective bargaining was established through federal legislation. The first of these laws dealing with disputes between Railway Companies and their employees was the Arbitration Act of 1888, which provided for voluntary arbitration of disputes. This Act was repealed with the passage of the Erdman Act in 1898, which inaugurated the policy of government mediation and conciliation of labor disputes on the railways. Later Acts continued this policy of government intervention in railway disputes.

Finally on May 20, 1926, the Railway Labor Act was passed which, with its amendments of June 7, 1934, June 21, 1934, June 25, 1936 and August 13, 1940, established the present procedure of collective bargaining in the railroad industry. This law¹ states that its purposes are "to avoid any interruption to interstate commerce, to forbid any limitation upon freedom of association among employees or any denial,

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as a condition of employment, of the right of employees to join a labor organization, to provide for the prompt and orderly settlement of all disputes concerning rates of pay, rules or working conditions, as well as for the settlement of disputes growing out of grievances or out of the interpretation or application of the agreement."

For the final settlement of grievances involving the interpretation and the application of the agreement, the National Railroad Adjustment Board was established. This Board is composed of four Divisions, whose thirty-six members are selected in equal numbers by the carriers and the labor organizations.

The First Division has jurisdiction over grievances involving train- and yard-service employees. It consists of ten members, five of whom are selected by the carriers and five by the national labor organization of the employees involved in the dispute.

The Second Division has jurisdiction over grievances involving machinists, boilermakers, blacksmiths, sheet-metal workers, electrical workers, power-house employees and railroad-shop laborers. It consists of ten members, five of whom are selected by the carriers and five by the national labor organization of the employees involved in the dispute.

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The Fourth Division has jurisdiction over grievances involving employees of carriers engaged in transportation of passengers and property by water, and all other employees of carriers over which jurisdiction is not given to the first three divisions. It consists of six members, three of whom are selected by the carriers and three by the national labor organization of the employees involved in the dispute.

In case of an award of the National Railroad Adjustment Board in favor of the petitioner, the Board issues an order to the carrier to make the award effective. If the carrier does not comply within the time limit set in the order, the beneficiary of the award can file suit in the United States District Court. In this suit the findings and the award of the Board are prima facie evidence of the facts therein stated.

The second collective bargaining agency under the Railway Labor Act is the National Mediation Board, which may be called upon by employees or carriers in any of the following cases:

a. A dispute concerning changes in rates of pay, rules or working conditions not adjusted by the parties in conference.

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The Board consists of three members, appointed by the President of the United States, by and with the advice and consent of the Senate, for a period of three years.

If the efforts of the Board to bring about an amicable settlement of the dispute through mediation fails, the Board tries to induce the parties to submit their controversy to arbitration. If one or both parties refuse to arbitrate, the Board at once notifies both parties that its mediatory efforts have failed and for thirty days thereafter no change shall be made in the rates of pay, rules or working conditions.

If the parties agree to arbitrate their dispute, a Board of Arbitration is constituted, consisting of three members, one being selected by the carriers, one by the labor organization involved in the dispute and the third by mutual consent of the other two representatives. The written agreement to arbitrate a dispute contains among other stipulations the provision that the parties to the agreement will each faithfully observe the terms of the award made by the Arbitration Board. The award rendered by the arbitrators and properly filed in the clerk's office of the United States District Court, is conclusive on the parties and the court must enter judgement on the award.

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1. The most important "other disputes" are between the employees themselves as to the selection of representatives.

be adjusted by one of the foregoing methods and should threaten to disrupt interstate commerce, the Mediation Board shall notify the President of the United States. The President may, at his discretion, appoint a board to investigate and report the dispute on hand. This board has to investigate the facts of the dispute and make a report thereon to the President within thirty days from the day of its creation. After the creation of this board and for thirty days after it has made its report to the President no coercive action can be taken by either party.

The first time this latter provision of the law went into action was when in 1938 the railway companies tried, because of shrinking revenues, to reduce wages fifteen per cent. The unions opposed this move and, in spite of the good services of the National Mediation Board, the dispute could not be settled. On September 26, 1938, representatives of the railway labor organizations met in Chicago and announced that a majority of their members had voted in favor of an industry and nation wide strike, unless the carriers would withdraw their wage reduction proposal. The National Mediation Board notified the President of the United States of the threatened strike. The President nominated an emergency board to investigate the dispute and report the facts. At the same time the provision of the Railway Labor Act, forbidding coercive measures during the investigation of the board and for thirty days after completion and report to the President,

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became effective. After thorough investigation the Board, in its report to the President, opposed the wage reduction on the ground that the shrinking of revenues of the carriers might prove only temporary. The carriers thereupon rescinded their notice of the proposed reduction of wages and the threatened strike was averted.

This emergency board was the first to be created in the fifty years covered by federal legislation in the railway field to deal with a national, industry wide dispute between all major rail carriers and all their employees.

Strikes in the railroad industry have been comparatively rare and of short duration. One reason for this satisfactory situation can be seen in the effectiveness of the negotiation machinery as well as in the opposition of railway unions to strikes as a weapon in the settlement of disputes. This opposition to strikes is not based only on the experience of the devastating effects of walk-outs on the finances of the union and the morale of its members¹ but also on the maturity of judgement and the real leadership of the union officers. Even though compulsory arbitration is only provided for settling grievances arising from the interpretation and application of the collective agreement, but not for changes of wage

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rates, hours of work and working rules, both parties have, in most cases, either submitted to voluntary arbitration or have accepted the recommendations of the National Mediation Board when changes of the contract became necessary.

The fact that employers as well as employees are nearly one hundred per cent organized and bargain on a national and industry wide scale, with the functioning of the most important means of transportation at stake, makes both parties conscious of their great responsibility not only toward their members, but toward the whole country. Next to these important reasons, the provision that, during the negotiations and for thirty days after their completion, coercive measures by either side are forbidden by the law, induces both parties to settle their differences without resorting to strikes and lock-outs. This cooling-off period is, in the case of the emergency board, extended to sixty days (thirty days for investigation and report and thirty days thereafter).

Five per cent of the anthracite workers joined. During the following years the power and influence of the Association, which reached its peak in 1890, declined because of unsuccessful strikes and falling coal prices. The consolidation of ownership in the coal mine and continued unfavorable business conditions resulting in large unemployment prevented the formation of strong unions for the following two decades. In the

1. Source: Twentieth Century Fund - Labor Committee, New Collective Bargaining Works, New York, 1947.

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(b) The Anthracite Coal Mining Industry¹

The best example for industry wide collective bargaining in this country is the Anthracite Mining Industry. This industry, which has a long history of labor organization and collective bargaining, has an industry wide labor agreement since the Award of the Anthracite Coal Strike Commission of 1903. The industry wide organization of both operators and miners was comparatively easy because of the geographical concentration of the industry. The anthracite mines are confined to ten counties in Pennsylvania. This area is divided into three districts, commonly designated as the Northern or Wyoming Field, the Lehigh Field, and the Southern or Schuylkill Field.

As early as 1867 unions were a powerful factor in the industry. In that year leaders of various local unions formed the Workingmen's Benevolent Association. This organization proved to be very successful and within a few months eighty-five per cent of the anthracite workers joined. During the following years the power and influence of the Association, which reached its peak in 1870, declined because of unsuccessful strikes and falling coal prices. The consolidation of ownership in the coal mines and continued unfavorable business conditions resulting in large unemployment prevented the formation of strong unions for the following two decades. In the

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late nineties, however, the national union of the United Mine Workers of America succeeded in organizing a large percentage of the anthracite workers in spite of the operators' uncompromising hostility to unions in general and to the United Mine Workers in particular.

In 1900 the union called a convention at which it drafted a long list of demands, including wage increases of from ten to twenty per cent, and invited the operators to a joint conference. When the operators refused to meet, a strike was called. The settlement of this strike granted the workers a ten per cent wage increase, but the operators refused to recognize the union or to negotiate a contract. In February 1902, encouraged by the partial success of the previous strike and the resulting rapid growth of membership, the union asked the operators to meet with them to formulate a wage scale and to consider other terms of employment. Several conferences were held, but the operators refused to make any concessions, even though the union cut in half its demands for increased wages. On May 15, 1902, the union called a strike which lasted until October 23, 1902, when the operators, pressed by unfavorable public opinion, agreed to arbitration by a commission appointed by the President of the United States.

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price of certain sizes of coal at New York Harbor. It created a Board of Conciliation composed of three representatives of the miners, as well as an umpire or impartial chairman. The Board was given power to handle disputes arising under the Award, which could not be settled locally. The Award did not compel the operators to recognize the union as a bargaining agent, a fact which was deeply resented by the miners.

The following years saw peaceful labor relations in the industry, but in 1912 the union went on strike for seven weeks. This strike was ended by a new agreement between the operators and the miners, granting the latter a wage increase and abolition of the sliding scale of wage rates. Once more, however, the United Mine Workers failed to achieve their goal of union recognition. This goal was finally reached in 1920, when a commission appointed by the government for arbitrating a new contract, directed the union officials to sign the new agreement "on behalf of the United Mine Workers of America".¹ Recognition of the union was finally achieved.

During the following years the anthracite workers gained further wage increases and shortening of working hours without any serious troubles. The only exception was the year 1925 when a long lasting strike (170 days) broke out over the question of wage cuts. No industry wide strikes have occurred between 1926 and 1941.

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The reasons for this satisfactory situation are found partly in the mature and responsible leadership of union officials, partly in the establishment of efficient industry wide bargaining machinery. This machinery, first established by the Award of the Anthracite Coal Strike Commission in 1903 and amended by later agreements, now consists of two separate bodies, one dealing with the setting-up of new contracts or the extension of old agreements, the other with the final settlement of grievances arising from the interpretation and application of the existing agreement.

As a rule the procedure for collective bargaining begins several months before the old contract expires. Union officers call a convention composed of national and district officers and delegates of local unions. At this convention the demands to be submitted to the operators are formulated and the delegates to represent the union on the scale committee are selected. This scale committee consists of forty-three members, of whom thirty-one comprise the district boards and twelve are rank and file members. To facilitate negotiations a sub-committee of six is appointed to meet with the operators' scale committee.

The operators have a permanent organization, known as the General Policies Committee, composed of four independent operators, four representatives of the railroad companies operating anthracite mines, and a chairman. The General Policies Committee selects six delegates constituting the operators' scale committee. When the negotiations are suc-

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cessfully completed, the delegates of the operators' and the miners' scale committees initial the new agreement, which then must be ratified by a miners' referendum before it is signed by representatives of both parties. Agreements are usually contracted for two to five years. No provisions are made for arbitration in case the parties cannot agree on new terms. Since the Award of 1903 only one dispute was arbitrated, when in 1920 a government-appointed commission decided a wage dispute and the vital question of union recognition in favor of the miners. In all other cases, renewals of agreements were achieved through direct industry wide negotiations of the operators' and the miners' representatives.

For the handling of grievances arising from the interpretation and application of the existing contract a Board was established. It is composed of six members, two members from each of the three anthracite districts, one appointed by the union and the other by the operators. Grievances before the Board are decided by majority vote. They are final and binding on both parties. When the Board cannot agree, the case is placed before an umpire appointed by the Board. If the Board cannot agree on the nomination of the umpire, the latter will be appointed by a circuit judge of a United States District Court. The umpire's decision is final and binding, and suspensions of work are forbidden while a matter is pending.

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adjusted locally. Every grievance must first be brought before the Board itself. This procedure eliminates most grievances at the local level and thus avoids a swamping of the Board with minor cases.

The comparatively good labor relations in the Anthracite Industry are proof that a strong and centralized organization of both employers and employees, which alone makes industry wide collective bargaining possible, tends to reduce the number of strikes and should therefore be promoted. On the other hand, the Anthracite Industry has, because of this rigid organization, often been accused of monopolistic tendencies. This accusation contains some truth; but the concentration of the mines on a small area and the continued replacement of anthracite coal by cheaper and more efficient substitutes has forced the operators as well as the miners to cooperate closely on an industry wide basis in order to be able to survive.

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Chapter 19.

Experiences and Results of Industry Wide Collective
Bargaining in the United States

Considering the rare occurrence of industry wide collective bargaining in this country, it is difficult to pass judgement as to how an application of this system to all industries would affect our industrial relations. It has been pointed out that industry wide bargaining in the two industries discussed more in detail, has resulted in a decline in the number of strikes. It can be objected that this decline would have taken place in any event and that the undisputed improvement in the labor-management relations of the two industries (railroads and anthracite coal mining) was coincidental or perhaps based on the special conditions prevailing in these industries. This objection seems to carry some weight considering the fact that the bituminous coal industry, which also practices industry wide collective bargaining to a certain extent, has a very turbulent history of labor relations and has, up to the present time, experienced industry wide strikes at nearly every expiration of the agreement. But it is believed that the reasons for this unhappy situation do not lie in a deficiency of the bargaining system, but in the dictatorial and uncompromising attitude of the leader of the industry. It is interesting to note that Lewis' hostility seems to be directed chiefly toward the owners of bituminous coal mines, while anthracite coal mine owners have as far little reason for complaint.

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the United Mine Workers of America, John L. Lewis.¹

There is no doubt that a well organized collective bargaining procedure accompanied by a balance of power of responsible employers and employees tends to avert labor troubles. This balance can be achieved only by centralized organization of both parties to the agreement.

A comparison of the collective bargaining procedure in the railroad and in the anthracite coal mining industry shows first of all, that the former was established by law, while the latter was originated through voluntary arbitration and agreement. The numerous laws dealing with the organization of collective bargaining in the railroad industry can be traced to the concern of the government to assure the public of regular transportation at all times by eliminating disruptive strikes as much as possible. These government regulations do, at the present time, not go so far as to decree the terms of new contracts by laws or subject them to compulsory arbitration. Except in times of war, when no-strike pledges are usually given by the unions or, as during World War I, when the railroads were operated by the government, coercive measures from both parties are, after exhaustion of the legal conciliation procedure, perfectly legal.

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A major factor for consideration is that railway employees are not organized in one industrial union, but in a number of craft unions, some independent and some affiliated with the American Federation of Labor. Even though the limits of craftism became somewhat blurred by the technological progress of the last decades and the individual craft unions today include quite a number of different occupations, the fact remains that, due to a considerable divergence of interests, a strong and centralized organization of all the railroad employees has so far failed to materialize. The Railway Labor Executives Association, which was constituted as a federation of all railway labor unions for the purpose of industry wide collective bargaining, has not yet achieved the necessary authority to coordinate the diverging interests of operating and non-operating personnel. Only lately a definite trend toward greater unity of all unions in the defense of the common cause can be observed.

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Industry wide collective bargaining in the railroad industry means legal establishment of a national bargaining machinery and the standardization of wage rates and working

hours for all railroad companies, while working rules are adjusted in separate agreements between individual railroad companies and local unions.

An entirely different situation prevails in the anthracite industry. It has been shown¹ that this industry, since the award of the Anthracite Coal Strike Commission, has a system of industry wide collective bargaining which unites all anthracite mine workers under a single agreement. This agreement covers not only wage rates and working hours, but also general conditions of work. The latter accomplishment is made possible by the comparative narrowness of the area in which the mines are concentrated, and the resulting similarity of conditions. Furthermore the owners have to deal with a single industrial union, the United Mine Workers of America, and this, too, makes the conclusion of a single contract for all mines much easier. The danger of conflicting interests on the side of the employees, always present if several unions are involved in negotiations, is virtually non-existent in this industry.

Another point of interest, mentioned earlier in this chapter, is that the collective bargaining procedure in this industry was established by the arbitration award of the Anthracite Coal Strike Commission and consequent agreements, and not by law as in the railroad industry. The collective bargaining procedure in both industries is very similar, not-

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withstanding the basically different way it originated. In both industries the procedure for handling grievances arising from the interpretation and application of the existing contract ends with compulsory arbitration, whereas changes or extensions of the old contract must be reached by free collective bargaining. Except for certain rules, which must be adhered to in both industries, employers and employees are free to use coercive measures when the negotiations do not lead to an agreement. It has been emphasized that, during the last decades, the application of these coercive measures in either industry has been rare.

A few words remain to be said about the results of industry wide collective bargaining in the remaining industries using this system. The situation in the bituminous coal mines has already been referred to at the beginning of this chapter. As to the results in the seven small industries¹ not considered so far, it can be stated that industry wide bargaining was established during the first two decades of this century by mutual agreement and has worked to the satisfaction of the parties concerned.²

It is quite possible that, due to the great difference of conditions prevailing in various parts of this country, a system of industry wide collective agreements might not be possible for some industries at the present time or even in

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Part IV.

Comparison of Industry Wide Collective Bargaining in Great Britain, Sweden, and the United States

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Comparison of Industry Wide Collective Bargaining in Great Britain, Sweden, and the United States

In comparing the industry wide collective bargaining systems in Great Britain, Sweden and the United States, the differences in the following features will be pointed out: workers' and employers' organizations; the negotiating machinery; the content of the industry wide agreements; the attitude of the government toward this type of collective bargaining.

1. Workers' and Employers' Organizations.

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A comparison of unionism in the three countries shows that in Great Britain and Sweden the organization of workers in trade unions is close to a hundred per cent, while in the United States only about fifty per cent of the wage earners are unionized. In Great Britain, with the Trades Union Congress, and in Sweden, with the Swedish Federation of Trade Unions, eighty to ninety per cent of the Trade Unions are affiliated with one Central Organization. The Trades Union Congress made important gains, in obtaining the forty-eight hour week, vacation with pay, the determination of holidays with pay, and other gains benefiting all the workers in the country, through direct negotiations with the representatives of the British Employers' Association.

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The British Trades Union Congress, as well as the Swedish Federation of Trade Unions, derive their power from the fact that in both countries the wage earners are nearly a hundred per cent unionized and almost all local trade unions or trade union federations are members of the central organization.

In the United States the situation is entirely different. First of all only about fifty per cent of all wage earners are members of trade unions. Secondly there is no overall organization in which the local and national unions are united. About forty-nine per cent of the unionized workers are members of unions affiliated with the American Federation of Labor; forty-one per cent are affiliated with the Congress of Industrial Organization and the remaining ten per cent constitute independent unions, the majority of which are the Railroad Brotherhoods. This split in the overall organization, with the result that neither of the central organizations can negotiate in the name of all the organized workers, has so far prevented agreement on certain principles which would have benefited all workers. This is one reason why the right of the workers to organize and bargain collectively, the limitation of working hours, and minimum wages were not, as in the

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A significant factor in all three countries is that the association of employers for the purpose of collective bargaining is much less extensive than the unionization of workers. In Great Britain, the country in which employers' organizations are most wide spread, the British Employers' Confederation embraces about 1900 organizations dealing with labor questions. Some of these organizations are local in character and some are national. In most of the chief industries the local or regional organizations are combined into national federations which exercise a considerable authority on their members in the matter of wages and working conditions. Representatives of the British Employers' Confederation hold frequent meetings with the representatives of the Trades Union Congress in which questions concerning the industrial life of the nation are discussed. Often, both parties make joint recommendations to the government. These recommendations, coming from organizations representing practically all manufacture of the country, carry great weight.

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It is characteristic of both Great Britain and Sweden that employers' associations did not try to destroy the unions, but rather tried to reach mutually satisfactory agreements. This fact must be pointed out because it constitutes an important difference from the spirit and purpose of employers' associations in the United States. Here, employers' associations were created, not to bargain collectively on a large scale with the unions, but to oppose and, if possible, destroy them. This attitude found expression in the establishment of extensive espionage systems, blacklists containing the names of "undesirable workers", creation of company unions financed and controlled by the employers, "yellow dog contracts", (contracts in which the worker promises not to join a trade union) and finally an extensive drive for the open shop. In addition, much pressure was exerted on employers who did not espouse this aggressive attitude against trade unionism.

But none of these methods of employers has proved to be very effective in the long run. As a matter of fact, at the present time American employers are worse off than the more liberal employers in Great Britain and Sweden. While in

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the two latter countries the closed shop is no issue,¹ the exclusion of non-union workers from employment in many American industries is quite frequent. It is true that the question of open shop versus closed shop has little practical importance in Great Britain and Sweden, because most available workers are union members and the employer has little choice in that respect. But as a matter of principle it is notable that the American employer, who has spent untold millions of dollars in the vain attempt to keep unionism out, in many cases had to surrender to the union demand of the closed shop.

Another difference lies in the structure of the employers' associations. It has been pointed out that in Great Britain and Sweden these associations are generally organized on an industry wide basis. In the United States employers' associations, as far as they deal with labor questions, are usually organized on a regional rather than on a national basis. They include either all industries or only one industry of the region. Except for the cases discussed in Part III of this thesis, there are no instances in which industry wide employers' associations bargain collectively with national unions. In Sweden the machinery for the negotiation of industry

b. Negotiating Machinery.

In Great Britain elaborate machinery was set up for the negotiation of new contracts as well as for the handling of

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In Sweden the machinery for the negotiation of industry wide agreements in the basic industries is uniform. Representatives of the national employers' and employees' associations are organized in permanent bodies for the stated purpose of industry wide collective bargaining. Certain rules for the conduct of these negotiations were established by the Basic Agreement. Grievances arising from the interpretation and the

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The negotiating procedure for the conclusion of industry wide contracts in the United States was established in one case (railroads) by law, while in all other cases the machinery was voluntarily agreed upon by the parties. The Railway Labor Act of 1926, amended in 1934, 1936 and 1940, established an agency for the arbitration of grievances, the National Railroad Adjustment Board. This Board of 36 members is composed of an equal number of representatives of the Railroad Companies and the Railroad Unions. The negotiation of industry wide contracts is performed by representatives of the employers, organized in the Association of American Railroads, and of the employees, who are represented by the Railway Labor Executives Association. If the negotiations fail to lead to an agreement, the parties must appeal to the National Mediation Board.

In the anthracite industry the bargaining agency for the negotiation of industry wide agreements consists of a Scale Committee, representing the miners, and a General Policies Committee, representing the colliery owners. Grievances are decided by a separate board consisting of an equal number of employers' and employees' representatives. Similar conditions prevail in the bituminous coal mining industry. As to the remaining seven small industries, which conclude industry

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The above analysis shows that there is a great variety in the origin and structure of the negotiating machinery in the three countries. The negotiating procedure, however, shows some striking similarities. Grievances which cannot be settled amicably are in all cases referred to arbitration and cannot be made an issue for work stoppages. A break-down in the negotiations for a new agreement, on the other hand, will usually lead to strikes, because in general no authority for the final settlement of this kind of disputes is provided. The temporary establishment of compulsory arbitration for all disputes in Great Britain during World War II is the only exception to this rule.

c. The Contents of the Industry Wide Agreements.

In Great Britain the industry wide agreements are set up in a way to leave ample space for individual adjustments to local conditions. The principal items in these agreements are rules for the settling of disputes, the organization of the collective bargaining agency, the length of the working week, the computation of payments for overtime, and shift differentials. Wage rates and working rules are generally contained in local or regional agreements.

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trade unions and to bargain collectively with their employers. Since 1928 a clause has been included referring all grievances which cannot be adjusted on the plant level or by the national organization to the Labor Court for arbitration. With the conclusion of the Basic Agreement in 1938, the clauses of this agreement were gradually included in the industry wide contracts. Another important feature of these agreements is the division of plants into groups according to the cost of living index prevailing in various parts of the country and the determination of wage rates according to this grouping.

In the United States the contents of industry wide agreements vary greatly according to the type of industry they cover. The anthracite mining industry is concentrated on a comparatively small area and the conditions in all mines are very similar. This is one reason why industry wide agreements were concluded as early as 1903 and at present cover many terms of employment. In bituminous coal mining the industry wide agreement relates only general principles, such as the working hours, increase or decrease of wage rates, overtime compensation and other items. Wage rates and working rules are arranged in regional or local agreements, which vary widely according to the geographical location of the mines and the way the mines are operated (strip mining or shaft mining). Similar conditions prevail in the railroad industry, where the industry wide agreement deals mainly with general wage rate increases and decreases, while the specific job rates and the working rules are fixed by collective bargaining between the

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d. The Attitude of the Governments Toward Industry Wide Collective Bargaining.

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agreement of the parties under government sponsorship. In some cases one or more government representatives are members of these collective bargaining agencies.

In Sweden there was very little government interference with labor relations. Except for the Collective Agreement Law and the law providing for the establishment of a Labor Court, the Swedish government has generally left the adjustment of labor affairs through the establishment of collective bargaining agencies to the two parties concerned. Labor and management, more or less free to make their own arrangements, have chosen industry wide bargaining as the best way to reduce strikes and lockouts to a minimum and thus assure steady production. The fact that the Swedish government has made no objections to these arrangements can be interpreted as a tacit approval of this system.

In the United States, government has been much opposed to industry wide collective bargaining. One reason for this opposition is the fear that the creation of powerful employers' and employees' organizations, necessary for the functioning of this type of collective bargaining, would lead to management and labor monopolies harmful to the public interest. Lately several Senators have expressed their intention to initiate legislation which would outlaw industry wide collective bargaining in this country.

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the following picture:

The creation of industry wide unions under strong leadership promotes discipline in the rank and file of the membership and of the local organizations. As a consequence the number of wildcat strikes and jurisdictional disputes is likely to decrease. A large union has furthermore the advantage that it is in a better position to provide benefits to its members than some small local organization. It can also give better protection against unfair practices of employers. If the national union is incorporated (as it usually is in Great Britain), it can be sued for damages for breach of contract. This makes the union leaders very cautious in calling strikes. The principal disadvantage of industry wide unions is that their leaders are liable to abuse their power for political purposes and that the formation of a solid block of workers, for the purpose of opposing the economic power of the employers, is likely to increase the inherent antagonism between labor and management.

In favor of strongly organized employers' associations is the fact that they can resist unreasonable union demands better than individual firms. By providing benefits to its members in case of strikes or lockouts, such an association constitutes an effective counterweight to the power of national unions. A further advantage lies in the close supervision of the member firms by the elected national officers of the organization, whose duty it is to enforce the strict compliance with the clauses of the industry wide agreement. Disad-

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Industry wide negotiations have the advantage that all contracts are settled at the same time and a coordinated planning for the whole industry is made possible. The establishment of a permanent industry wide negotiation agency, staffed with experienced personnel, improves the chances for a successful conclusion of the negotiations. The main objection to industry wide negotiations is the danger that nation wide strikes or lockouts with disastrous consequences for the national economy may result if these negotiations fail to lead to an agreement.

A great advantage of industry wide agreements is the opportunity they provide for the establishment of streamlined grievance machinery for the whole industry. They also tend to reduce the turn-over of labor, because all firms within one industry offer similar terms of employment. The difficulty in reaching an agreement if specific conditions differ widely within one industry, either because there are very large and very small companies competing with each other, or because the industry is spread over a wide area, must be registered as a disadvantage.

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certain types of labor disputes, often leading to work stoppages, could be eliminated entirely by the establishment of appropriate negotiating machinery. All grievances arising during the life of the contract, not adjusted by the parties, should be arbitrated and not be an issue for strikes and lock-outs. The definition of these grievances should include all disputes arising from the interpretation and the application of the contract, as well as disputes about matters not taken care of in the agreement. Arbitration panels composed of an equal number of representatives of the employers' and employees' organizations, headed by an independent chairman, should be established for each industry. The decisions of these panels should be binding on the parties and be enforced by the national employers' and employees' associations rather than by court action. Preference should be given to separate arbitration boards for each industry instead of a labor court for all industries, because it is believed that these boards would carry greater knowledge and experience of the specific problems of each industry than would a labor court staffed with civil servants or professional judges who have no particular experience with any industry. A further point in favor of private arbitration panels can be seen in the fact that no legislative action would be necessary for their establishment and no costs to the taxpayer would be involved.

Jurisdictional disputes could be eliminated by avoiding the present duplication of unions catering to the same craft or industry. One way to accomplish this goal would be an

agreement between the American Federation of Labor, the Congress of Industrial Organizations and the independent unions to the effect that neither of the three organizations would allow the establishment of competing unions. Interunion arbitration should take the place of the National Labor Relations Board for the settling of disputes arising over the question of which union should continue in existence and which should be liquidated. The final step in this process of amalgamation would be the creation of a single federation including all trade unions, and subdivided into national unions, each of which would cover a whole industry.

No doubt, the disputes most difficult to settle are the ones arising from a break-down in the negotiation of a new contract. It is not believed that the solution of this problem lies in arbitration. No outside person can or should decide what wage rates should be paid or what other terms of employment should prevail in a specific factory or a whole industry. These are matters which can be determined only by the parties concerned. One possible way to reduce the number of strikes arising from this type of dispute would be the organization of industry wide collective bargaining agencies composed of an equal number of representatives of the national employers' and employees' associations. The purpose of these agencies would be to negotiate certain general principles which should govern the whole industry. Once an agreement on these principles is reached, it will probably be easier for the individual plants to come to an understanding with the

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Most of the above suggestions for improving labor relations have been tried and found adequate in European countries as well as in some instances in the United States. To put them into effect on a large scale in this country it would be imperative that the central employers' and employees' organizations would agree to meet and try to work out some basic agreement concerning the establishment of uniform negotiating agencies. If employers and employees would display less egotism and more sense of responsibility for the welfare of the whole community, the conclusion of such an agreement should be possible. There is no reason why a harmonious partnership of labor and management, based on mutual understanding and voluntary agreements, could not be accomplished in the United States.

F I N I S .

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Appendix I.

The Industrial Court in Great Britain

The Industrial Court was established under the Industrial Courts Act of 1919, following the recommendations by the Whitley Committee that there should be a Standing Arbitration Council ".... to which differences of general principles and differences affecting whole industries or large sections of industries may be referred in cases where the parties have failed to come to an agreement through their ordinary procedure, and wish to refer the differences to arbitration."¹

The Court consists of a President and two full-time members appointed by the Minister of Labour and National Service. The two full-time members must be chosen from panels presented by the employers' and workers' associations. The President is entitled to delegate his powers to one of the permanent members, when the Court sits in Divisions. Sometimes temporary members are appointed by the President to decide special cases.

The Court is a permanent and independent tribunal and is not subject to government control. It is not part of the judicial system of Great Britain. Up to 1940 its decisions were not legally binding, unless accepted by both parties, in which case they formed part of the contract of employment. Since enactment of the Conditions of Employment and National

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Arbitration Orders of 1940-1942 the decisions of the Court are, for the duration of the national emergency, de iure binding on the parties.

The scope of the Industrial Court has been extended under the provisions of later Acts. The British Sugar Act of 1925, the Road Traffic Act of 1933, the Air Navigation Act of 1936, the Bacon Industry Act of 1938 and the Cinematograph Films Act of 1938 provide assistance to, and regulate the operations of, the industries concerned. They contain provisions for the payment of fair wages and the maintenance of acceptable working conditions. All disputes regarding wages or working conditions, which cannot be settled by negotiations, must be referred to the Industrial Court.

In addition to these statutory provisions for the reference of matters to the Industrial Court, many industrial agreements provide for the reference of arising disputes to the Court and for the acceptance by both parties of the Court's findings. Proceedings before this Court are as informal as possible under the circumstances and the representation of the parties by lawyers is discouraged.

Under the Industrial Court Act trade disputes also can be referred to single arbitrators, who are not permanently attached to the Court, but only ad hoc appointed by the Minister of Labour and National Service. These arbitrators can choose assessors, who function as advisors only and are not formally associated with the award. The extent of their activities is a matter for the arbitrator to decide.

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Another method of arbitration provided by this Act is the setting up of a Board of Arbitration, consisting of one or more persons appointed by the employers' association, and an equal number of nominees from the unions, under the chairmanship of a person nominated by the minister of Labour and National Service. This temporary board is constituted for the purpose of settling one specific dispute and its powers cease with the issue of the award.

In addition to its arbitration functions, the Court may be asked to give advice to the Minister of Labour and National Service on any question connected with a trade dispute or any other matter which, in its opinion, should be referred to the Court.

Under Part II of the Industrial Courts Act the Minister of Labour and National Service has the power to inquire into the causes of trade disputes, if he thinks that they involve issues concerning whole industries. For this purpose the Minister appoints a Court of Inquiry, consisting of one or several members, the chairman always being an independent person. This court, after having made exhaustive inquiries into the subject matter, makes recommendations as to how to settle the dispute. These recommendations are not binding on either party, since the Court of Inquiry has no arbitrational powers.

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Appendix II.

The National Arbitration Tribunal

When with the fall of France in the spring of 1940 the increase in war production became vital, the British Government, through the National Joint Advisory Council, appointed a Joint Consultative Committee to advise and assist the Minister of Labour and National Service on labor-employer relations during the war emergency. This Committee, which consisted of seven representatives of the Employers' Confederation and an equal number of representatives of the Trades Union Congress, unanimously made the following recommendations:¹

1. In this period of national emergency it is imperative that there should be no stoppage of work owing to trade disputes. In these circumstances the Consultative Committee representing the British Employers' Confederation and the Trades Union Congress have agreed to recommend to the Minister of Labour and National Service the arrangements set out in the following paragraphs.
2. The machinery of negotiation existing in any trade or industry for dealing with questions concerning wages and conditions of employment shall continue to operate. Matters in dispute which cannot be settled by means of such machinery shall be referred to arbitration for a decision which will be binding on all parties and no strike or lockout shall take place. In cases where the machinery of negotiation does not at present provide for reference to such arbitration the parties shall have the option of making provision for such arbitration, failing which the matters

1. For further reference see Industrial Relations Handbook, published by His Majesty's Stationery Office, London 1945, pg. 125-132.

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in dispute shall be referred for decision to a National Arbitration Tribunal to be appointed by the Minister of Labour and National Service. The Minister shall take power to secure that the wages and conditions of employment settled by the machinery of negotiations or by arbitration shall be made binding on all employers and workers in the trade or industry concerned.

3. In any case not covered by the provisions of paragraph (2), any dispute concerning wages or conditions of employment shall be brought to the notice of the Minister of Labour and National Service by whom, if the matter is not otherwise disposed of, it shall be referred within a definite time limit to the National Arbitration Tribunal for decision, and no strike or lockout shall take place.
4. The foregoing arrangements shall be subject to review on or after 31st December 1940.

The principles of these recommendations were accepted by the Minister for Labour and National Service and on July 25, 1940 an Order was issued, outlawing strikes and lockouts and providing, under the principles laid down in the recommendations, for a National Arbitration Tribunal. Three amending Orders were issued during 1941 and 1942, but the main provisions of the first Order remained unchanged.

Part I of the Order establishes the National Arbitration Tribunal, which consists of five members, three being appointed by the Minister of Labour and National Service and two representing the employers and workers. All members are appointed for only one particular case and are chosen from panels presented by the employers' and workers' associations. All disputes which cannot be settled either by conciliation or where no voluntary arbitration agreement exists, have to be referred to the Tribunal, whose decisions are binding for

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both parties. Trade disputes are defined as "any dispute or difference between employers and workmen or between workmen and workmen connected with the employment or non-employment, or the terms of the employment or with the conditions of labour of any person".

Part II forbids lockouts and strikes unless disputes have been reported to the Minister of Labour and National Service and have not been referred by the Minister for settlement before the Tribunal within twenty-one days from when they were reported.

Part III requires all employers to observe the present terms and conditions of employment.

Part IV deals with the restoration of pre-war trade practices not later than eighteen months after the end of the hostilities.

The outstanding feature of the Order is the enactment of compulsory arbitration in all trade disputes which cannot be settled through one of the existing negotiation and conciliation facilities. Considering the all-inclusive definition of "trade disputes", it must be stated that the jurisdiction of the Tribunal is practically unlimited as far as labor relations are concerned. To avoid work-stoppages during the war emergency, the decisions of the Tribunal are made legally binding on both parties. Beyond that, the whole trade or industry, even if only part of it is involved in the dispute, is bound by the decisions of the Tribunal.

A further legal innovation is accomplished through the Order by making all decisions by the Industrial Court or

other agencies of voluntary arbitration legally binding. It will be remembered that formerly the decisions of these panels were binding only if accepted by both parties.

In spite of this far-reaching encroachment on free collective bargaining by the government, employers and unions have tried their best to settle disputes between themselves in order to limit compulsory arbitration to a minimum. The National Labour Tribunal received comparatively few cases for decision, and it is hoped that this war time emergency tribunal will be abolished in due time, as provided in Part IV of the Order.

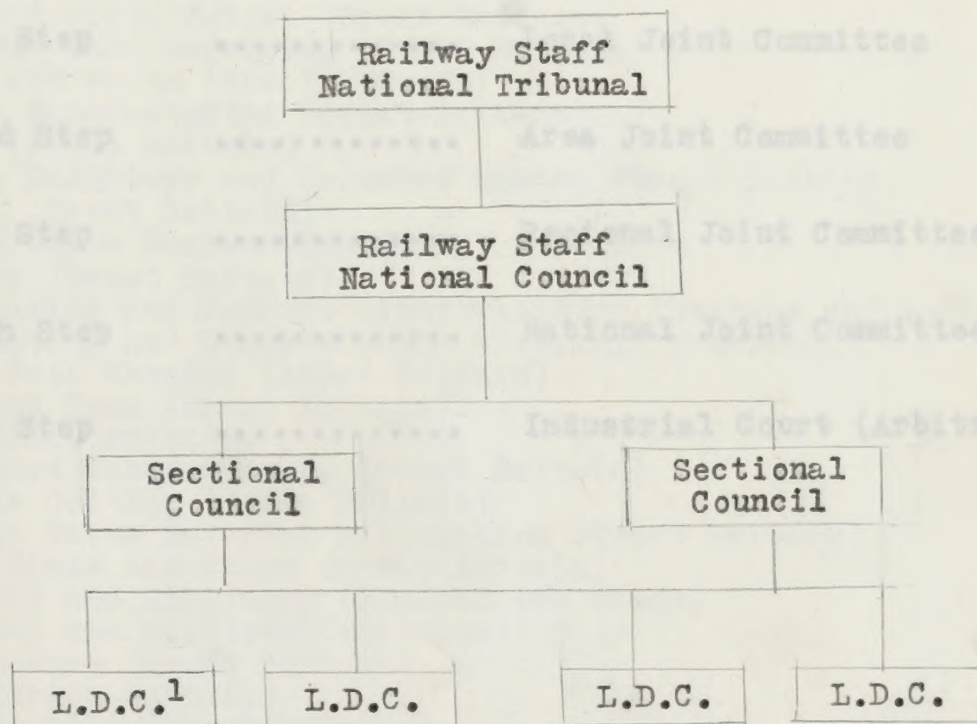


1. L.D.C. - Local Departmental Council

Appendix III.

CHART

Showing the collective bargaining procedure established by the "Machinery of Negotiation for Railway Staff, 1935"

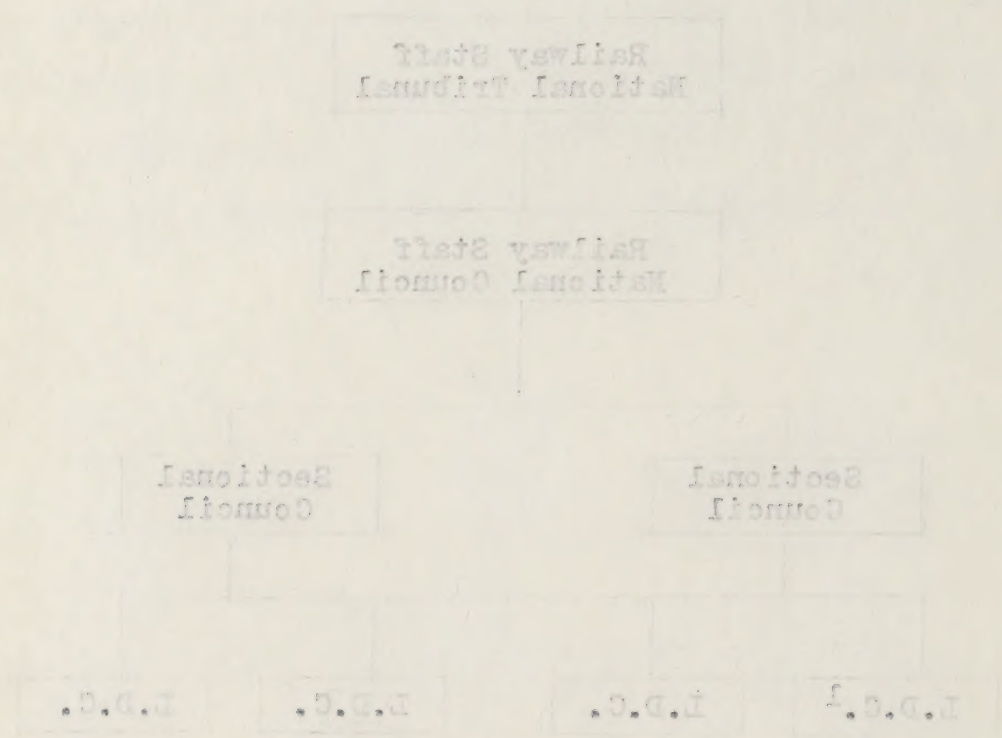


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Showing the steps to be taken in the settling of disputes in the building industry. This procedure was established by the Agreement of 1932.

| | | |
|-------------|-------|--------------------------------|
| First Step | | Local Joint Committee |
| Second Step | | Area Joint Committee |
| Third Step | | Regional Joint Committee |
| Fourth Step | | National Joint Committee |
| Fifth Step | | Industrial Court (Arbitration) |

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Appendix V.

List of Trade Boards Established Under Trade Boards Acts, 1909
and 1918 (as of June 1944)¹

Aerated Waters (England and Wales)
 Aerated Waters (Scotland)
 Baking (England and Wales)
 Baking (Scotland)
 Boot and Floor Polish (Great Britain)
 Boot and Shoe Repairing (Great Britain)
 Brush and Broom (Great Britain)
 Button Manufacturing (Great Britain)
 Chain (Great Britain)
 Coffin Furniture and Cerement Making (Great Britain)
 Corset (Great Britain)
 Cotton Waste Reclamation (Great Britain)
 Cutlery (Great Britain)
 Dressmaking and Women's Light Clothing (England and Wales)
 Dressmaking and Women's Light Clothing (Scotland)
 Drift Nets Mending (Great Britain)
 Flax and Hemp (Great Britain)
 Fur (Great Britain)
 Furniture Manufacturing (Great Britain)
 Fustian Cutting (Great Britain)
 General Waste Material Reclamation (Great Britain)
 Hair, Brass and Fibre (Great Britain)
 Hat, Cap and Millinery (England and Wales)
 Hat, Cap and Millinery (Scotland)
 Hollow-ware (Great Britain)
 Jute (Great Britain)
 Keg and Drum (Great Britain)
 Lace Finishing (Great Britain)
 Laundry (Great Britain)
 Linen and Cotton Handkerchief and Household Goods and Linen
 Piece Goods (Great Britain)
 Made-up Textiles (Great Britain)
 Milk Distributive (England and Wales)
 Milk Distributive (Scotland)
 Ostrich and Fancy Feather and Artificial Flower (Great Britain)
 Paper Bag (Great Britain)
 Paper Box (Great Britain)
 Perambulator and Invalid Carriage (Great Britain)
 Pin, Hook and Eye and Snap Fastener (Great Britain)

1. Source: Industrial Relations Handbook, His Majesty's Stationery Office, London 1944, pgg. 245 and 246.

Appendix V.

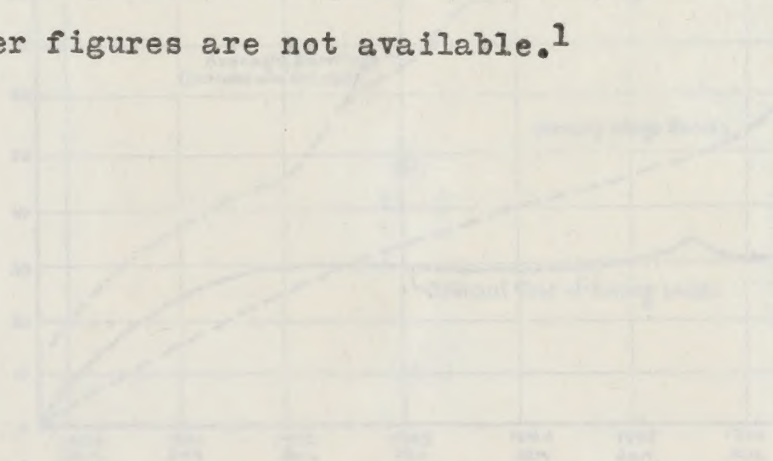
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Cotton Waste Reclamation (Great Britain)
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Dressmaking and Women's Night Clothing (England and Wales)
Dressmaking and Women's Night Clothing (Scotland)
Drift Net Mending (Great Britain)
Flax and Hemp (Great Britain)
Fur (Great Britain)
Furniture Manufacturing (Great Britain)
Fustian Cutting (Great Britain)
General Waste Material Reclamation (Great Britain)
Hair, Brass and Wire (Great Britain)
Hat, Cap and Millinery (England and Wales)
Hat, Cap and Millinery (Scotland)
Hollow-ware (Great Britain)
Jute (Great Britain)
Keg and Drum (Great Britain)
Lace Finishing (Great Britain)
Laundry (Great Britain)
Linen and Cotton Handkerchief and Household Goods and Linen
Place Goods (Great Britain)
Made-up Textiles (Great Britain)
Milk Distributive (England and Wales)
Milk Distributive (Scotland)
Oatmeal and Fancy Feather and Artificial Flower (Great Britain)
Paper Bag (Great Britain)
Paper Box (Great Britain)
Reamulator and Invalid Garbage (Great Britain)
Pin, Hook and Eye and Snap Fastener (Great Britain)

1. Source: Industrial Relations Handbook, His Majesty's Stationery Office, London 1944, pgs. 245 and 246.

Ready-made and Wholesale Bespoke Tailoring (Great Britain)
 Retail Bespoke Tailoring (England and Wales)
 Retail Bespoke Tailoring (Scotland)
 Rope, Twine, and Net (Great Britain)
 Rubber Manufacturing (Great Britain)
 Rubber Reclamation (Great Britain)
 Sack and Bag (Great Britain)
 Shirtmaking (Great Britain)
 Stamped or Pressed Metal Wares (Great Britain)
 Sugar Confectionary (Great Britain)
 Tin Box (Great Britain)
 Tobacco (Great Britain)
 Toy Manufacturing (Great Britain)
 Wholesale Mantle and Costume (Great Britain)

It is estimated that in September 1939, 1,200,000
 workers were employed in trades covered by the Trade Boards
 Acts. Later figures are not available.¹



1. Op.cit., pg. 143.

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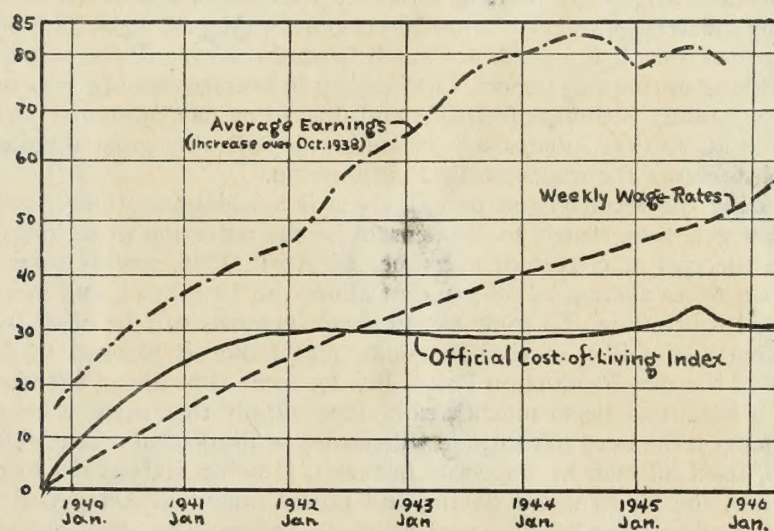
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Appendix VI.

Labor and Industry in Britain

A Monthly Review

June 1946

PERCENTAGE INCREASE IN WAGES,
EARNINGS, AND THE COST-OF-LIVING

Appendix VII.

List of National Unions in Sweden¹

(as of December 31, 1943)

| | <u>Number of locals</u> | <u>Number of workers</u> |
|---|-----------------------------|------------------------------|
| Clothing Workers Union | 96 | 26,746 |
| Sheet Iron Workers Union | 57 | 2,751 |
| Bookbinders Union | 56 | 9,252 |
| Brewery Workers Union | 122 | 7,072 |
| Housebuilding Carpenters Union | 424 | 37,389 |
| Civilian Administration Personnel Organization | 34 | 3,959 |
| The Associated Organizations | 65 | 13,832 |
| Electrical Workers Union | 145 | 11,718 |
| Real Estate Workers Union | 47 | 8,509 |
| Barbers Union | 47 | 3,687 |
| Prison Guards Union | 44 | 1,096 |
| Defense Department Civilian Personnel Organization | 58 | 20,903 |
| Insurance Companies Employees Union | 93 | 2,842 |
| Foundry Workers Union | 132 | 10,363 |
| Unskilled and Factory Workers Union | 735 | 91,586 |
| Mining Industry Workers Union | 71 | 10,839 |
| Shop and Department Store Employees Union | 269 | 44,299 |
| Hotel and Restaurant Workers Union | 148 | 18,328 |
| Railroad Workers Union | 324 | 55,238 |
| Tile and Terazzo Workers Union | 4 | 616 |
| Municipal Workers Union | 356 | 48,173 |
| Farm Workers Union | 750 | 47,404 |
| Lithograph Workers Union | 22 | 3,029 |
| Delicatessen and Food Store Workers Union | 140 | 30,946 |
| Metal Workers Union | 343 | 199,216 |
| Masons Union | 184 | 11,672 |
| Musicians Union | 146 | 11,911 |
| Painters Union | 212 | 13,722 |
| Cellulose Industry Workers Union | 151 | 33,755 |
| Mail Clerks Union | 58 | 9,866 |
| Upholstery Workers Union | 63 | 3,841 |
| Maritime Workers Union | 42 | 8,264 |
| Shoe and Leather Industry Workers Union | 71 | 10,462 |
| Lumber Workers and Timber Floaters Union | 872 | 34,047 |
| Chimney Sweepers Union | 12 | 788 |
| Union of Government Hospitals Personnel | 50 | 6,101 |
| Union of Government Hydraulic Power Station Personnel | 12 | 424 |

1. Source: Swedish-American News Exchange, New York, N.Y.

Appendix VII.

List of National Unions in Sweden

(as of December 31, 1943)

| Number of Workers | Number of Locals | Union |
|-------------------|------------------|--|
| 26,743 | 96 | Printing Workers Union |
| 2,781 | 27 | Sheet Iron Workers Union |
| 9,282 | 52 | Bookbinders Union |
| 7,078 | 122 | Fireworks Workers Union |
| 27,280 | 424 | Householding Carpenters Union |
| | | Civilian Administration Personnel Organ- ization |
| 2,983 | 34 | The Associated Organizations |
| 13,322 | 43 | Electrical Workers Union |
| 11,718 | 145 | Real Estate Workers Union |
| 8,209 | 27 | Textile Union |
| 2,887 | 27 | Tramway Union |
| 1,098 | 2 | Defense Department Civilian Personnel Organization |
| 20,902 | 53 | Insurance Companies Employees Union |
| 2,342 | 93 | Young Workers Union |
| 10,282 | 122 | Unskilled and Factory Workers Union |
| 21,882 | 735 | Mining Industry Workers Union |
| 10,832 | 71 | Shop and Department Store Employees Union |
| 4,209 | 289 | Hotel and Restaurant Workers Union |
| 18,224 | 126 | Railroad Workers Union |
| 22,228 | 224 | Tile and Ceramic Workers Union |
| 212 | 4 | Municipal Workers Union |
| 42,172 | 222 | Textile Workers Union |
| 47,404 | 750 | Farm Workers Union |
| 2,029 | 22 | Lithograph Workers Union |
| 20,946 | 140 | Delicatessen and Food Store Workers Union |
| 190,212 | 722 | Hotel Workers Union |
| 11,272 | 124 | Maritime Union |
| 11,212 | 126 | Maritime Union |
| 12,722 | 212 | Latent Union |
| 22,722 | 121 | Celulose Industry Workers Union |
| 8,222 | 22 | Left Clerks Union |
| 2,222 | 22 | Apprentice Workers Union |
| 2,222 | 22 | Artistic Workers Union |
| 10,422 | 71 | Shoe and Leather Industry Workers Union |
| 24,222 | 272 | Shoe Workers and Timber Processors Union |
| 722 | 12 | Quarry Workers Union |
| 2,101 | 20 | Union of Government Hospital Personnel |
| 222 | 12 | Union of Government Hydraulic Power Station Personnel |

| | <u>Number of locals</u> | <u>Number of workers</u> |
|--|-----------------------------|------------------------------|
| Stone Industry Workers Union | 168 | 6,378 |
| Saw Mill Industry Workers Union | 293 | 22,006 |
| Union of Telegraph and Telephone Workers | 158 | 12,031 |
| Textile Industry Workers Union | 102 | 39,413 |
| Tobacco Industry Workers Union | 10 | 2,240 |
| Transport Industry Workers Union | 258 | 35,827 |
| Wood Industry Workers Union | 364 | 32,417 |
| Printing Industry Workers Union | 109 | 12,529 |
| Road and Canal Builders Union | 297 | 21,321 |
| Total .. | 8,214 | 1,038,808 |
| Swedish Food Industry Association | | |
| Iron Works Association | | |
| General Employers Association | | |
| Swedish Road and Canal Builders Employers Association | | |
| Swedish Paper Mill Association | | |
| Swedish Clothing Industry Association | | |
| Saw Mill Association | | |
| Swedish Textile Industry Association | | |
| Swedish Department Store Employers Association | | |
| Swedish Granite Industry Association | | |
| Cellulose Association | | |
| Swedish Bottle Glass Association | | |
| Swedish Shoe Manufacturers Association | | |
| Herrland Stevedores Association | | |
| Swedish Tanning Industry Association | | |
| Swedish Association of Smelter Glass Works | | |
| Builder Material Association | | |
| Brewery Employers Association | | |
| Southern Sweden Stevedores Association | | |
| Swedish Sewall Needle Industry Association | | |
| Swedish Flour Mill Owners Association | | |
| Swedish Lithographic Printers Association | | |
| Central Sweden Mining Association | | |
| Swedish Printers Association | | |
| Swedish Mechanical Workshop Association | | |
| Electrical Employers Association | | |
| National Association of Pipe Fitters | | |
| Trollhättan Electro-Mechanical Employers Association | | |
| Swedish Building Industry Association | | |
| Swedish Chocolate Industry Association | | |

1. Source: Swedish-American News Exchange, New York, N.Y.
The above list includes only the associations affiliated with
the Swedish Employers' Federation. Figures for the associa-
tions remaining outside the Federation are not available at
the present time.

| <u>Number of workers</u> | <u>Number of locals</u> | |
|--------------------------|-------------------------|--|
| 6,378 | 188 | Stone Industry Workers Union |
| 32,006 | 293 | Saw Mill Industry Workers Union |
| 12,031 | 158 | Union of Telegraph and Telephone Workers |
| 39,415 | 102 | Textile Industry Workers Union |
| 3,240 | 10 | Tobacco Industry Workers Union |
| 35,827 | 258 | Transport Industry Workers Union |
| 33,417 | 364 | Wood Industry Workers Union |
| 12,526 | 109 | Printing Industry Workers Union |
| 21,321 | 237 | Road and Canal Builders Union |
| 1,038,308 | 8,214 | Total .. |

Appendix VIII.

List of Swedish Employers' Associations¹

(as of December 31, 1943)

| | Number of firms | Number of workers employed |
|--|--------------------|----------------------------------|
| Swedish Employers Organization (General Group) | 522 | 48,299 |
| Swedish Bookbinders Employers Association | 187 | 7,331 |
| Swedish Wood Industry Association | 426 | 12,541 |
| Iron Works Association | 81 | 47,490 |
| General Employers Association | 515 | 12,735 |
| Swedish Road and Canal Builders Employers Association | 82 | 5,612 |
| Swedish Paper Mill Association | 49 | 13,270 |
| Swedish Clothing Industry Association | 125 | 14,775 |
| Saw Mill Association | 109 | 13,242 |
| Swedish Textile Industry Association | 203 | 41,222 |
| Swedish Department Store Employers Association | 94 | 1,544 |
| Swedish Granite Industry Association | 11 | 1,293 |
| Cellulose Association | 46 | 11,571 |
| Swedish Bottle Glass Association | 4 | 926 |
| Swedish Shoe Manufacturers Association | 81 | 5,130 |
| Norrland Stevedoor Association | 22 | 516 |
| Swedish Tanning Industry Association | 41 | 2,850 |
| Swedish Association of Smaller Glass Works | 26 | 2,766 |
| Building Material Association | 258 | 13,071 |
| Brewery Employers Association | 112 | 4,717 |
| Southern Sweden Stevedore Association | 70 | 1,602 |
| Swedish Retail Needle Industry Association | 17 | 596 |
| Swedish Flour Mill Owners Association | 37 | 1,469 |
| Swedish Lithographic Printers Association | 76 | 1,780 |
| Central Sweden Mining Association | 20 | 4,060 |
| Swedish Printers Association | 214 | 3,925 |
| Swedish Mechanical Workshop Association | 733 | 118,410 |
| Electrical Employers Association | 403 | 5,652 |
| National Association of Pipe Fitters | 313 | 5,569 |
| Trollhättan Electro-Mechanical Employers Association | 8 | 572 |
| Swedish Building Industry Association | 1,192 | 27,694 |
| Swedish Chocolate Industry Association | 35 | 3,735 |

1. Source: Swedish-American News Exchange, New York, N.Y.
The above list includes only the associations affiliated with the Swedish Employers' Federation. Figures for the associations remaining outside the Federation are not available at the present time.

Appendix VIII.

List of Swedish Employers' Associations

(as of December 31, 1943)

| Number of firms | Number of workers employed | |
|-----------------|----------------------------|--|
| 35 | 2,735 | Swedish Chocolate Industry Association |
| 1,192 | 27,694 | Swedish Building Industry Association |
| 8 | 572 | Association |
| 312 | 5,532 | Trolldammen Electro-Mechanical Employers' Association |
| 403 | 5,522 | National Association of Pipe Fitters |
| 732 | 118,410 | Swedish Mechanical Workshop Association |
| 214 | 3,925 | Swedish Printers Association |
| 20 | 4,060 | Central Sweden Mining Association |
| 76 | 1,780 | Swedish Lithographic Printers Association |
| 37 | 1,482 | Swedish Flour Mill Owners Association |
| 17 | 592 | Swedish Retail Needle Industry Association |
| 70 | 1,602 | Southern Sweden Stevedore Association |
| 112 | 4,717 | Brewery Employers Association |
| 258 | 15,071 | Building Material Association |
| 26 | 2,766 | Swedish Association of Smaller Glass Works |
| 41 | 2,850 | Swedish Tanning Industry Association |
| 22 | 516 | Norland Stevedore Association |
| 81 | 2,120 | Swedish Shoe Manufacturers Association |
| 4 | 926 | Swedish Bottle Glass Association |
| 46 | 11,571 | Celina Association |
| 11 | 1,222 | Swedish Granite Industry Association |
| 94 | 1,244 | Association |
| 202 | 41,222 | Swedish Department Store Employers' Association |
| 109 | 13,242 | Swedish Textile Industry Association |
| 128 | 14,772 | Sav Mill Association |
| 128 | 14,772 | Swedish Clothing Industry Association |
| 42 | 13,870 | Swedish Paper Mill Association |
| 82 | 8,612 | Employers Association |
| 212 | 12,722 | Swedish Road and Canal Builders' General Employers Association |
| 81 | 47,490 | Iron Works Association |
| 422 | 12,241 | Swedish Wood Industry Association |
| 167 | 2,221 | Swedish Bookbinders Employers Association |
| 222 | 48,222 | (General Group) Swedish Employers Organization |

1. Source: Swedish-American News Exchange, New York, N.Y.
The above list includes only the associations affiliated with the Swedish Employers' Federation. Figures for the associations remaining outside the Federation are not available at the present time.

Appendix IX.

| | Number of firms | Number of workers employed |
|---|---|----------------------------------|
| The Mining Association of the Grängesberg Concern | 3 | 4,267 |
| Automotive Traffic Employers Association | 822 | 6,727 |
| Automotive Workshops Association | 318 | 4,664 |
| Petroleum Industry Employers Association | 14 | 1,158 |
| Glaziers Industry Employers Association | 96 | 451 |
| Peat Industry Association | 67 | 2,684 |
| Upholstery Industry Employers Association | 121 | 806 |
| Forge Workshops Employers Association | 107 | 1,110 |
| Total ... | 7,660 | 457,841 |
| National Coal Association (membership is composed of several regional bituminous coal producers' associations and the General Policy Committee of the Anthracite Coal Industry) | United Mineworkers of America (AFL) | 800,000 |
| United States Potters' Association | United Brotherhood of Operative Potters (AFL) | 21,500 |
| National Association of Pressed and Blown Glassware | Flint Glass Workers of North America (AFL) | 23,500 |
| Association of Glass Bottle Manufacturers | Glass Bottle Blowers' Association of the United States and Canada (AFL) | 24,000 |
| Wall Paper Institute | United Wall Paper Crafts of North America (AFL) | 2,500 |
| National Automatic Sprinkler Association | United Association of Journeymen Plumbers' and Steamfitters of the United States and Canada (AFL) | 130,000 |
| Manufacturers' Protective and Development Association | Holders' Union of North America (AFL) | 400 |

1. Source: Monthly Labor Review of the Bureau of Labor Statistics, United States Department of Labor, August 1939; Florence Peterson, American Labor Unions, Harper and Brothers, New York 1948.

Number
of firms
Number
of workers
employed

| | | |
|---------|-------|---|
| 4,287 | 3 | The Mining Association of the Grangeberg Concern |
| 6,727 | 822 | Automotive Traffic Employers Association |
| 4,664 | 318 | Automotive Workshops Association |
| 1,188 | 14 | Petroleum Industry Employers Association |
| 481 | 26 | Glass Industry Employers Association |
| 2,684 | 87 | Best Industry Association |
| 806 | 121 | Upholstery Industry Employers Association |
| 1,110 | 107 | Forge Workshops Employers Association |
| 457,861 | 7,660 | Total ... |

Appendix IX.

List of Employers' and Employees' Organizations
which bargain collectively on an industry wide
scale in the United States¹

| <u>Employers' Association</u> | <u>Workers' Organization</u> | <u>Estimated Membership</u> |
|---|---|-----------------------------|
| Association of American Railroads | Railway Labor Executives Association (operating personnel organized in the independent Railroad Brotherhoods) | 1,000,000 |
| National Coal Association (membership is composed of several regional bituminous coal producers' associations and the General Policy Committee of the Anthracite Coal Industry) | United Mineworkers of America (AFL) | 600,000 |
| United States Potters' Association | United Brotherhood of Operative Potters (AFL) | 21,500 |
| National Association of Pressed and Blown Glassware | Flint Glass Workers of North America (AFL) | 25,600 |
| Association of Glass Bottle Manufacturers | Glass Bottle Blowers' Association of the United States and Canada (AFL) | 24,000 |
| Wall Paper Institute | United Wall Paper Crafts of North America (AFL) | 2,800 |
| National Automatic Sprinkler Association | United Association of Journeymen Plumbers' and Steamfitters of the United States and Canada (AFL) | 130,000 |
| Manufacturers' Protective and Development Association | Molders' Union of North America (AFL) | 400 |

1. Source: Monthly Labor Review of the Bureau of Labor Statistics, United States Department of Labor, August 1939; Florende Peterson, American Labor Unions, Harper and Brothers, New York 1945.

| Employers' Association | Workers' Organization | Estimated Membership |
|--|--|----------------------|
| Wire Cloth Manufacturers' Association | American Wire Weavers' Protective Association (AFL) | 400 |
| National Elevator Manufacturing Industry | International Union of Elevator Constructors (AFL) | 10,200 |
| British Information Services | "Labor and Industry in Britain". A Monthly Review. All numbers from January 1945 to November 1946. | |
| Brooks, Robert R. R.: | "Labor on New Fronts". New York, Public Affairs Committee Insurg. 1938. | |
| Brooks, Robert R. R.: | "When Labor Organizes". New Haven, Yale University Press, 1937. | |
| Bundy, R. D.: | "Collective Bargaining". New York, National Personnel's Institute Inc., 1942. | |
| Cameron, William T.: | "The Economic Significance of Trade Associations". Thesis, Boston, Boston University, 1931. | |
| Childs, Marquis W.: | "This is Democracy, Collective Bargaining in Scandinavia". New Haven, Yale University Press, 1939. | |
| Cole, G. D. R.: | "British Trade Unionism Today". London, V. Gollancz Ltd., 1939. | |
| Donaldson, MacPherrin R. | "Labor Problems in the United States". London, Longman, Green & Co., 1939. | |
| Drew, Walter: | "Organized Labor and Collective Bargaining". New York, National Directors' Association, April 9, 1934. Pamphlet. | |
| Dunlop, John V.: | "Wage Determination and Trade Unions". New York, Macmillan Company, 1944. | |

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